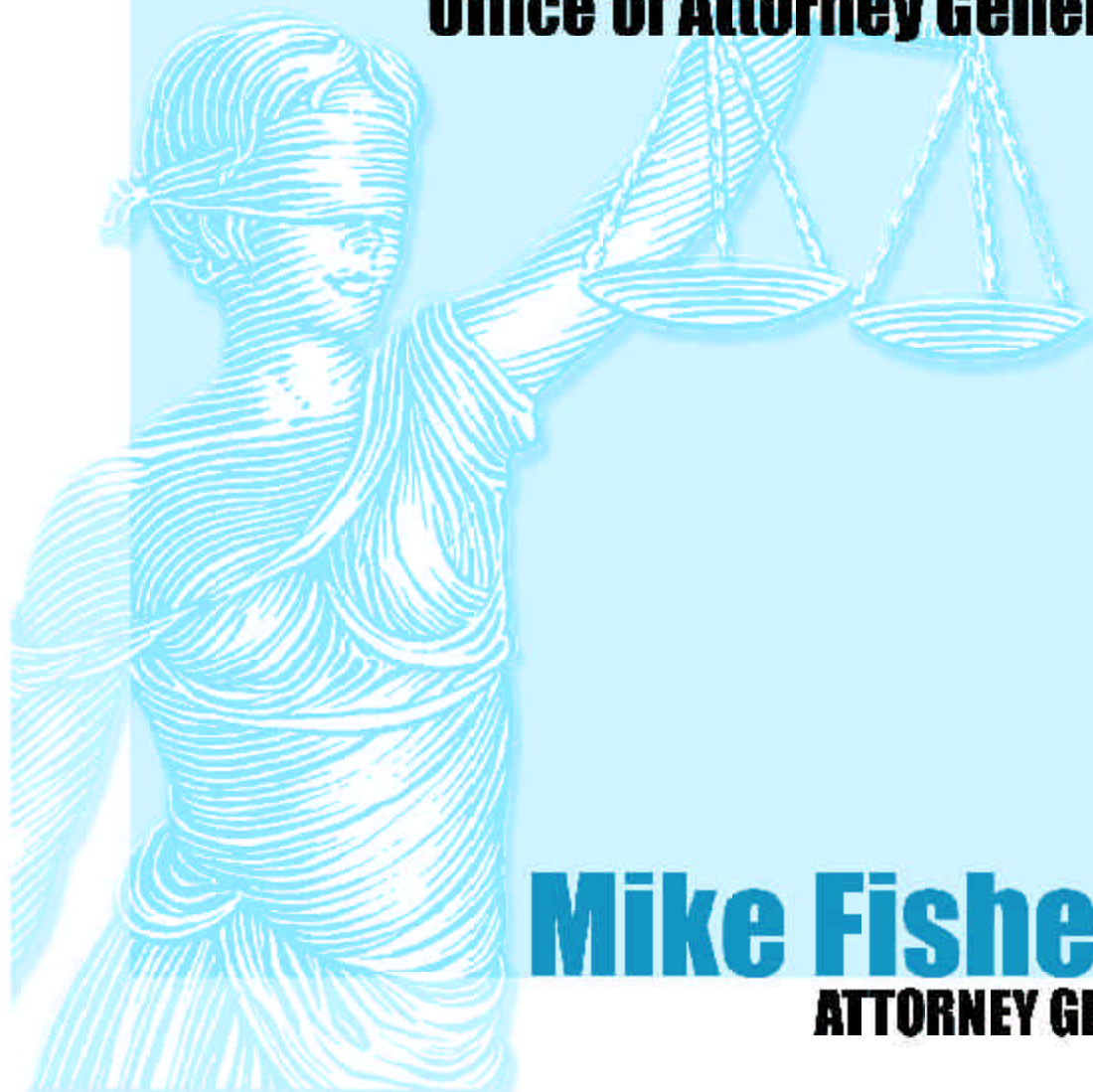
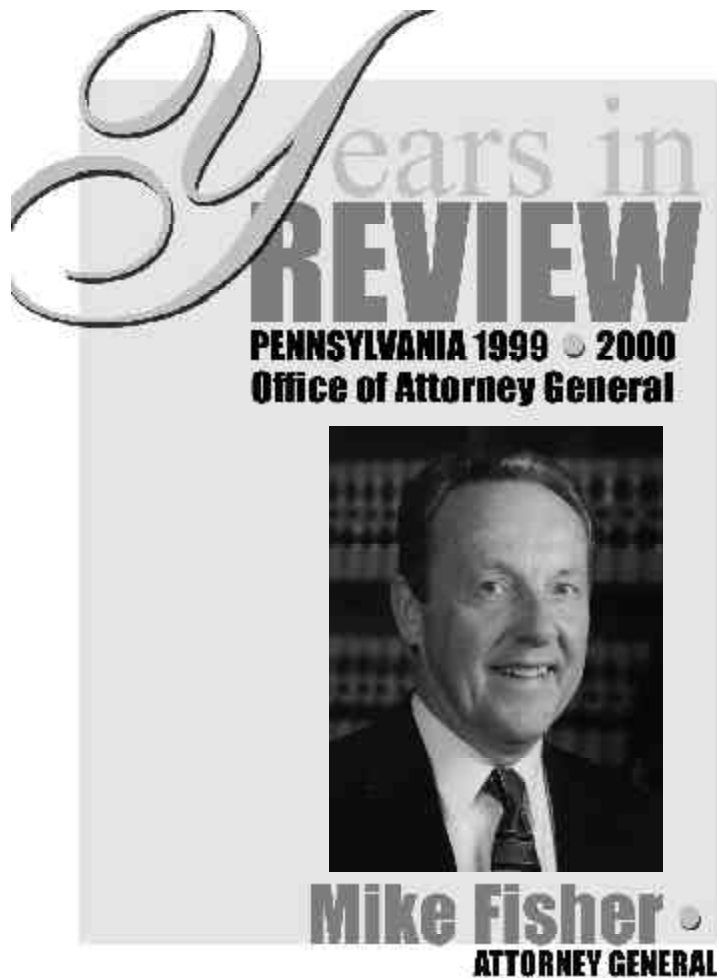


# 2 Years in **REVIEW**

**PENNSYLVANIA 1999 • 2000**  
**Office of Attorney General**



**Mike Fisher •**  
**ATTORNEY GENERAL**



*“ By nearly every measure crime rates in our state have dropped. And although this is good news, I am not satisfied. We in the Office of Attorney General will continue to aggressively root out criminals and ensure that justice is served and our citizens are protected.”*

- Attorney General Mike Fisher  
Inauguration Speech  
January 16, 2001

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COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF ATTORNEY GENERAL  
HARRISBURG, PA 17120

*March 2001*

*To the People of Pennsylvania:*

*Four years ago, I was sworn in as Pennsylvania's third elected Attorney General. I had a goal to make Pennsylvania a safer place to live, work and raise a family.*

*I am happy to say that today, Pennsylvania is a safer place to live. By nearly every measure, the crime rates in our state have dropped. And although this is good news, I am not satisfied. We in the Office of Attorney General will continue to aggressively root out criminals and ensure that justice is served and our citizens are protected.*

*Since my first day in office, my number one priority has been fighting the war against drugs in our communities. My agents have worked hard to take drug dealers off the streets. And while I strongly believe that we need to continue to put drug dealers behind bars, I also believe that we need to reduce the demand for drugs, especially among our children. During the last two years, I have met with thousands of Pennsylvania school children that have attended my multi-media presentation "Team Up Against Drugs."*

*During the last few years, America has witnessed the ever-changing health care industry, which has left many Pennsylvanians feeling frustrated and angry over the belief that they have nowhere to turn. That's why I created one of the first consumer Health Care Units in the country. Operating within my Bureau of Consumer Protection, the Health Care Unit protects the public from unfair health care practices and helps to ensure access to quality health care.*

*In 1999, I was joined by district attorneys throughout Pennsylvania to push for law enforcement legislation designed to combat the problem of convicted felons illegally possessing firearms. "Operation Hard Time" increased the penalty for illegal possession of a firearm and made it easier for law enforcement to keep offenders off the streets and in prison where they belong.*

*These are just a few examples of how the Office of Attorney General serves the people of Pennsylvania. "Years in Review" is designed to better explain the accomplishments of the Office of Attorney General. It has been a privilege and an honor to serve as your Attorney General and I look forward to continuing to work for you.*

*Sincerely,*

A stylized, handwritten signature of Mike Fisher in black ink.

*Mike Fisher*  
*Attorney General*

# Table of CONTENTS

## Special Features:

- 12 Operation Hard Time
- 21 Attorney General Fisher Receives the 1999 Pink Ribbon Award
- 23 Commonwealth v. Lambert: A Case History
- 34 Drug Education and Prevention
- 36 Working to Make our Schools Safe
- 38 Family Violence Task Force
- 63 Attorney General Fisher Wins \$90 Million Verdict in Asbestos Case

- 7 **Organization of the Office**
- 8 **Duties of the Pennsylvania Attorney General**
- 9 **Criminal Law Division: Authority**
  - 10 Criminal Prosecutions
  - 13 Environmental Crimes
  - 16 Medicaid Fraud Control
  - 18 Insurance Fraud
  - 22 Appeals and Legal Services
- 25 **Fighting Drugs in Pennsylvania**
  - 26 Bureau of Narcotics Investigation and Drug Control
  - 27 Drug Strike Force Section Cases
  - 31 Asset Forfeiture & Money Laundering
  - 32 Organized Crime and Narcotics
- 41 **Safeguarding Pennsylvanians:**
  - Public Protection Division**
    - 42 Bureau of Consumer Protection
    - 46 Task Force for the Protection of Older Pennsylvanians Report Released**
    - 47 Consumer Education**
    - 48 LifeSmarts**
    - 49 Health Care Unit**
  - 50 Antitrust Section
  - 52 Charitable Trusts and Organizations Section
  - 54 Tobacco Enforcement Section
  - 56 Civil Rights Enforcement Section
- 59 **Defending the Commonwealth:**
  - Civil Law Division**
    - 60 Torts Litigation
    - 61 Tax Litigation
    - 62 Litigation
    - 63 Financial Enforcement
    - 64 Appellate Litigation
    - 65 Review and Advice
- 66 **Information Technology & Law**
  - 67 [attorneygeneral.gov](http://attorneygeneral.gov)
- 68 **Office of Consumer Advocate**
- 70 **Legislative Priorities**
- 72 **How to Reach Us**



# Organization OF THE OFFICE

## **CRIMINAL LAW DIVISION**

### **PROSECUTIONS**

Insurance Fraud Section  
Environmental Crimes Section  
Medicaid Fraud Control Section  
Criminal Prosecutions Section  
Tax Crimes Unit

### **ORGANIZED CRIME & NARCOTICS**

Drug Strike Force Section  
Asset Forfeiture & Money Laundering Section  
Organized Crime Section  
Gang Prosecution Unit

### **CRIMINAL INVESTIGATIONS**

Bureau of Criminal Investigations  
Bureau of Narcotics Investigation & Drug Control  
Bureau of Investigative Services

### **LAW & APPEALS**

Appeals & Legal Services Section  
Capital Litigation Unit  
Regulatory Compliance & Intelligence Section

## **CIVIL LAW DIVISION**

Litigation Section  
Review & Advice Section  
Tax Litigation Section  
Financial Enforcement Section  
Torts Litigation Section  
Appellate Litigation Section

## **PUBLIC PROTECTION DIVISION**

Bureau of Consumer Protection  
Antitrust Section  
Charitable Trusts & Organizations Section  
Civil Rights Enforcement Section  
Tobacco Enforcement Section  
Office of Consumer Advocate

## **MANAGEMENT SERVICES DIVISION**

Equal Employment Opportunity Unit  
Comptroller Section  
Personnel Section  
Office Services Section  
Law Library Section  
Information Technology & Law Section

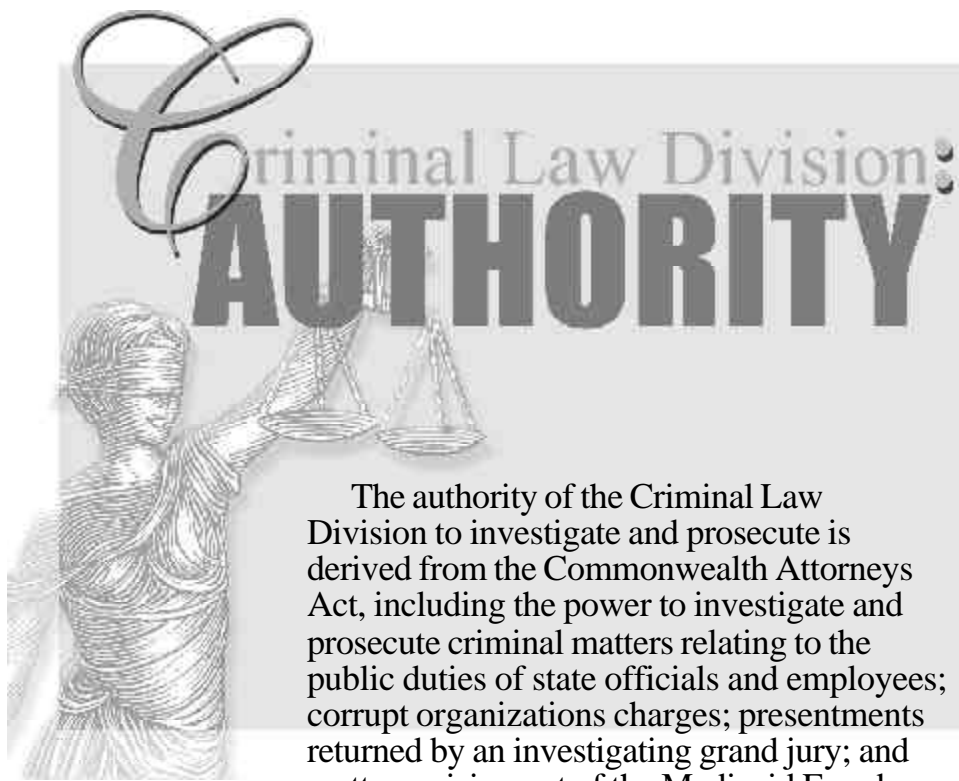
# Duties of the PA ATTORNEY GENERAL

Under the Commonwealth Attorneys Act, the fundamental duties of the Attorney General are:

1. To be the Commonwealth's chief law enforcement officer charged with the responsibility for the prosecution of organized crime and public corruption. This law enforcement effort includes a criminal investigation unit and a drug law enforcement program, as well as direction of statewide and multi-county investigating grand juries and a Medicaid Fraud Control Section.
2. To collect, by suit or otherwise, all debts, taxes and accounts due the Commonwealth which shall be referred to and placed with the Attorney General.
3. To represent the Commonwealth and all Commonwealth agencies and, upon request, the Auditor General, State Treasurer and Public Utility Commission, in any action brought by or against the Commonwealth or its Agencies.
4. To administer the provision relating to consumer protection laws.
5. To represent the Commonwealth and its citizens in any action brought about for violation of the antitrust laws of the United States and the Commonwealth.
6. To review for form and legality all Commonwealth deeds, leases and contracts to be executed by Commonwealth Agencies.

The Attorney General, or deputy appointed by him, serves as a member of various boards and commissions, including:

- The Board of Pardons
- The Pennsylvania Commission on Crime and Delinquency
- The Board of Finance and Review
- The Pennsylvania Emergency Management Agency
- The Municipal Police Officers Education and Training Commission
- The Mid-Atlantic Great Lakes Organized Crime Law Enforcement Network



The authority of the Criminal Law Division to investigate and prosecute is derived from the Commonwealth Attorneys Act, including the power to investigate and prosecute criminal matters relating to the public duties of state officials and employees; corrupt organizations charges; presentments returned by an investigating grand jury; and matters arising out of the Medicaid Fraud Control Section.

In addition, the Attorney General's Criminal Law Division may investigate and prosecute upon request of a district attorney (i.e. where a conflict of interest exists or where a district attorney's office lacks adequate resources to properly investigate and prosecute); and may handle criminal appeals as the law provides.



Attorney General Mike Fisher joins Philadelphia Police Commissioner John Timoney and Chief Deputy Attorney General Julia Hearshway of his Insurance Fraud Section to announce a program targeting auto theft in Philadelphia.

**January 1, 1999 -  
December 31, 2000**

<b>DA Referrals</b>	
Conflicts	<b>506</b>
Lack of Resources	<b>10</b>
<b>Citizen Complaints</b>	<b>35</b>
<b>State Office Referrals</b>	<b>79</b>
<b>Miscellaneous</b>	<b>6</b>
<b>TOTAL</b>	<b>636 CASES</b>

# CRIMINAL PROSECUTIONS

This Section prosecutes a variety of criminal violations involving all areas within the jurisdiction of the Office of Attorney General. Cases often originate from District Attorney or Commonwealth Agency referrals and use the investigative tools of the Statewide Investigating Grand Jury.

## SIGNIFICANT CASES

### Columbia County Death Penalty Case

On December 8, 2000, Troy Drumheller was sentenced to death for murdering his estranged girlfriend, Carol Huttenstine. The Columbia County jury deliberated for only one hour before recommending the death penalty.

Huttenstine, who sought four protection-from-abuse orders (PFAs) against Drumheller before her death, was stabbed 21 times in her chest, abdomen and side on April 24, 1999. Drumheller suspected that Huttenstine was having an affair with her close friend, Robert Brockway. On the night of the murder, Drumheller forced his way into Brockway's trailer and plunged a knife into Brockway's chest before attacking and killing Carol Huttenstine.

In addition to the death penalty, the judge added an additional 30 to 60 years in prison for the attempted murder of Brockway. The consecutive sentences mean that Drumheller will likely never be released from prison, even if his death sentence is overturned by a higher court on appeal.

### Northampton County Securities Fraud

On April 7, 2000, William Pangrass Jr. of Bethlehem pleaded guilty to 12 counts of theft and the crime of securities fraud.

From March 1998 to November 1999, Pangrass stole more than \$1 million from 12 different victims. He promised the victims that he would invest their money in his "hedge fund," a fund that didn't exist. He pocketed the money leaving the investors, including his own parents, high and dry.

Pangrass was sentenced to serve 2 ½ to six years in prison and ordered to pay restitution to the victims.

### Northumberland County Children & Youth Services

In April 2000, Attorney General Mike Fisher announced the arrests of 14 employees and volunteers of the Northumberland County Children and Youth Services Agency for stealing money donated for needy children.

The fund, known as the "Santa Bernie" Fund, was administered by Children and Youth, which was responsible for distributing gift certificates totaling \$18,000 to needy children at Christmas. It was discovered that almost \$12,000 of the gift certificates had been stolen or misappropriated by those responsible for these crimes.

## 14 arrested in Santa Bernie scandal

Ten Children and Youth employees arrested after 4 months probe

By Mike Fisher

Scranton, Pa. (AP) — A probe into the theft of \$12,000 from a fund for needy children at Christmas has resulted in the arrest of 14 employees and volunteers of the Northumberland County Children and Youth Services Agency.

The county's Children and Youth Services Agency, which was responsible for distributing gift certificates totaling \$18,000 to needy children at Christmas, was the focus of the probe.

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Fisher: 14 were charged in Santa Bernie scandal

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### Defendants charged in scandal

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## **Commonwealth v. Neil Simpson/Willie Williamson/Francisco DeLeon**

Shortly before midnight on April 8, 1999, in the City of Erie, Ronald Guzowski left a neighborhood bar. As he started walking home, he was brutally assaulted and robbed by a group of teenagers, including Willie Williamson, 18, and his half-brother, Neil Simpson, 16. Another teenager, Martin Ondreako, was with this group, but did not participate in the crime. Instead, reluctantly, Ondreako provided information to the Erie Police Department implicating the others. Williamson and Simpson, along with their brother-in-law, Francisco DeLeon, lured Ondreako to an isolated location where they stabbed him to death and dumped his body into Lake Erie.

The Criminal Prosecutions Section was successful in convicting all three defendants of first-degree murder and the additional charges. All three are now serving life sentences. Williamson received an additional nine- to 20-year sentence. Simpson was given a consecutive sentence of 14 ½ to 37 years. DeLeon, the ringleader in the homicide, was given an additional 20 to 40 years for his heinous acts.

## **Commonwealth v. Todd Dorsett**

In this Franklin County case, the defendant was charged with four counts of theft by failure to make required disposition of funds received. The defendant, who was an attorney, stole almost \$200,000 from his clients. He pleaded guilty to all of the charges and was sentenced to 18 to 54 months in prison.



## **Commonwealth v. James House & Markcail Williams**

James House and Markcail Williams are half brothers and were co-defendants in this case. Their uncle's vehicle was vandalized. The uncle suspected that a neighborhood family was responsible for the damage and directed his nephews to retaliate on his behalf. House, Williams and several of their cohorts confronted the suspects on a street corner. The suspects denied responsibility. House and Williams drew handguns and began firing. One man was killed by the gunfire.

Despite the fact that no murder weapon was ever found and that the assailants were total strangers to their victim, House was convicted of first-degree murder and was sentenced to life imprisonment; Williams was convicted of criminal attempt to commit murder and was sentenced to a 16- to 32-year prison term.

## **Potter County Tax Violators**

In June 2000, George Stenhach and his brother, Walter Stenhach, both of Coudersport, were convicted of failing to file and pay their Pennsylvania personal income tax returns for 1996 and 1997.

The Stenhachs claimed that they had received extensions for the filing of their personal income tax returns and that it was impossible to file the returns on a timely basis because their records were destroyed by water from a leak in the roof of their office.

The Stenhachs received identical sentences. They each received one to 12 months in prison, fines totaling \$1,500 and 400 hours of community service.

## **Clearfield County Sex Crimes**

Due to a conflict of interest within the Clearfield County District Attorney's Office, the Office of Attorney General's Bureau of Criminal Investigations investigated allegations that Scott Oldknow committed a number of sex crimes against three different young victims.

On October 11, 2000, Oldknow was sentenced for the crimes of involuntary sexual intercourse, sexual abuse of children, statutory sexual assault and corruption of minors. He was ordered to serve five to 10 years in a state prison, followed by 10 additional years of probation. Under Megan's Law, Oldknow will be required to register his place of residence with the police for the rest of his life.

# Operation HARD TIME

In October 1999, Attorney General Mike Fisher, along with seven district attorneys from across the Commonwealth, asked the Pennsylvania General Assembly to increase the penalty for convicted felons who illegally possess firearms.

Just two months later, in December 1999, Pennsylvania Governor Tom Ridge signed into law a new initiative designed to combat the problem of felons illegally possessing firearms.

Act 59, which is known as Operation Hard Time, increases the penalty for the illegal possession of a firearm from a first-degree misdemeanor to a second-degree felony. Operation Hard Time is designed to keep convicted felons from illegally possessing firearms by taking the offenders off the streets and putting them in prison where they belong. It is patterned after the successful federal law enforcement program, known as Project Exile. The federal program, which began in Richmond, Virginia, is being replicated in cities across the country.

Operation Hard Time is designed to keep convicted felons from illegally possessing firearms by taking the offenders off the streets and putting them in prison where they belong.



Under the previous law, the illegal possession of a firearm by a convicted felon was merely a first-degree misdemeanor with a maximum penalty of five years in prison. However, the sentencing guidelines were so weak that those convicted of illegally possessing a firearm usually served little or no time in prison.

Under Operation Hard Time, the penalty for illegally possessing a firearm increased to a second-degree felony, which carries a maximum penalty of 10 years in prison and the recommended minimum sentence would be 18 to 30 months in prison.

After Operation Hard Time was signed into law, Attorney General Fisher said, "Prosecutors now have the necessary tools to vigorously charge and prosecute convicted felons for illegally possessing firearms."

# ENVIRONMENTAL CRIMES

Under Attorney General Mike Fisher, the Environmental Crimes Section has been reorganized to expedite the investigation and prosecution of environmental crimes that are referred by the state Department of Environmental Protection and District Attorneys throughout the Commonwealth. These crimes include violations of the Commonwealth's environmental statutes involving the management and disposal of hazardous and other wastes.

The years 1999 and 2000 saw a number of significant convictions of environmental criminals. Attorney General Fisher has vigorously prosecuted polluters whose recklessness or criminal negligence has harmed or threatened to harm human health and the environment.

In 1999-2000, Fisher obtained 65 convictions, sent 21 defendants to jail and also assessed approximately \$2,184,500 in fines against environmental criminals. In addition, he has required those convicted of environmental offenses to pay another \$11,765,765 in restitution, reimbursement for investigative costs, and payments to nonprofit environmental groups. Convicted defendants have also been required to serve 1,622 hours of community service.

## SIGNIFICANT CASES

### Former Foundry Owners Arrested

On March 3, 2000, two former owners of the now-defunct Gettysburg Foundry Specialties Company pleaded guilty to multiple criminal charges of illegally dumping tons of hazardous waste.

Creed White of Owen Mills, Maryland, and his father, Robert White of Fort Myers, Florida, were each sentenced to one year in prison and five years probation. In addition, they were also ordered to pay up to \$5.5 million in restitution for the cleanup of the former foundry site.

In June 1999, agents in Fisher's Environmental Crimes Section charged the Whites with intentionally burying hazardous waste for over eight years into a pit the size of a football field. The environmental crimes violations resulted in an estimated \$5 million cleanup of severe soil, water and wetland contamination at the site.

### Conrail Environmental Crimes

On July 12, 2000, Conrail pleaded guilty to the illegal disposal of hundreds of thousands of pounds of hazardous waste at its Blair County facility.

Conrail was sentenced to pay \$3 million in fines, costs, restitution and charitable contributions, the largest judgement ever handed out for environmental crimes in Pennsylvania's history. Conrail also agreed to completely clean up the reclamation plant at no cost to the taxpayers and was placed on two years probation, so that the court can ensure that the clean up is completed to Department of Environmental Protection standards.

**Attorney General Mike Fisher announces Conrail will pay largest environmental crimes fine in state history.**





### Chester City Polluters

In April 1999, James Leake and Joseph Pearson were sentenced to jail for illegally transporting and dumping waste throughout the City of Chester.

From June 1993 to July 1996, Leake and Pearson dumped hundreds of drums of waste, including hazardous waste, in a residential neighborhood in Chester. These drums posed a threat to the health, safety and welfare of the residents of Chester.

Leake, of Chester, was sentenced to six to 12 months in prison, one year probation and 100 hours of community service. Pearson, of Wilmington, Delaware, was sentenced to 30 days in prison, eight months house arrest, one year probation and 100 hours of community service.

### Pittsburgh Painting Contractor

On September 5, 2000, Ernest Smalis, of Pittsburgh, was sentenced to 10 to 20 years in prison for improperly transporting and disposing of hazardous waste.

In 1995, Environmental Crimes Section agents discovered that Smalis' employees disposed of five-gallon paint cans with lead and other hazardous chemicals in the Chambers Development Landfill in Monroeville, which did not have a hazardous waste disposal permit.

In addition to the prison sentence, Smalis and his company, E. Smalis Painting Co., of West Mifflin, were sentenced to pay a \$250,000 fine. The jail sentence that Smalis received is the longest in Pennsylvania history for an environmental crime.

### Wayne County PCB Dumping

On August 10, 2000, a Wayne County man was sentenced to one to five years in prison, ordered to pay a \$100,000 fine and nearly \$1.9 million in restitution.

In June 2000, Larry St. Onge pleaded guilty to several crimes including risking a catastrophe for dumping waste material containing high amounts of PCBs, which are toxic, cancer-causing agents, near a school bus stop in Berlin Township, Wayne County.

Once St. Onge became aware of an investigation into the dumping by Attorney General Fisher's Environmental Crimes Section, he fled to Mexico. Fisher's agents tracked St. Onge to Mexico and in December 1999 he was extradited from Mexico to Pennsylvania.

### Bucks County Tire Fire

On March 8, 1999, Attorney General Fisher obtained a four to 12 month prison sentence and \$75,000 in fines and costs against Daniel Carr for operating a massive tire dump in Richland Twp., Bucks County.

At the time of the sentence, Carr was already serving a seven- to 14-year sentence for illegally dumping tires in Philadelphia that were set on fire by vandals, causing \$6.5 million in damage and disrupting traffic for six weeks.

## **Lycoming County Waste Scheme**

In February 1999, John I. Bower and his sons, John I. Bower Jr. and Matthew Bower, pleaded guilty to various charges relating to a criminal scheme to defraud the Lycoming County Landfill and two clients of nearly a half million dollars.

The Bowers operated a waste disposal business and transported waste generated by clients to the Lycoming County Landfill. The Bowers underpaid the disposal fees charged by the landfill, while at the same time, they overcharged their clients for the waste disposal services performed.

John Bowers Sr. received a jail sentence, a \$12,000 fine and a lengthy period of probation. Bowers' sons each received a \$10,000 fine and a lengthy probation. In addition, all three were ordered to make restitution to the county landfill and their clients for \$453,962.54.

## **Schuylkill River Car Polluter**

The Environmental Crimes Section, in conjunction with the Philadelphia District Attorney's Office, successfully prosecuted Ronald Reid for operating an illegal chop shop and polluting the Schuylkill River by dumping leftover car parts.

On October 29, 1999, Reid was sentenced to four to eight years in prison for operating one of the 10 largest chop shops in Philadelphia and polluting the Schuylkill River. In addition, Reid was sentenced to pay \$150,000 in restitution to the stolen car victims, \$25,000 in restitution to the United States Coast Guard and \$25,000 in fines to the Commonwealth.

## **Beaver County Dumping**

On February 28, 2000, Gilbert Darnley of Beaver County was sentenced to 40 to 80 months in prison for illegally disposing of more than 160,000 gallons of hazardous waste in rural Beaver County.

Agents from Attorney General Fisher's Environmental Crimes Section and officials with the state Department of Environmental Protection (DEP) found more than 1,000 drums, many of them rusted and leaking and numerous leaking storage tanks. The soil was saturated with waste and potentially explosive combinations of hazardous wastes.

In addition to the prison sentence, Darnley was sentenced to pay \$1.9 million in restitution to DEP for the clean up of the hazardous waste site.

**Attorney General Mike Fisher  
and Philadelphia District  
Attorney Lynne M. Abraham  
walk through a dump site**



# MEDICAID FRAUD CONTROL

In 1977, Congress enacted a law that established and funded the state Medicaid Fraud Control Unit to investigate and prosecute provider fraud in the Medicaid program. In 1978, in response to the new law, the Pennsylvania Office of Attorney General formed its Medicaid Fraud Control Section.

This Section is responsible for investigating and prosecuting providers who participate in the Medical Assistance Program and have committed fraud. The providers include nursing homes, hospitals, medical suppliers, mental health clinics, vendors, managed care organizations and medical professionals. In addition, the section is responsible for investigating and prosecuting patient abuse and neglect in Pennsylvania's nursing homes and reducing fraud in the state's Medicaid program.

During the last two years, the Medicaid Fraud Control Section has opened 220 cases for investigative review. Since 1999, 76 individuals have been arrested for Medicaid Fraud-related crimes. The Medicaid Fraud Control Section is responsible for over \$4.6 million that has been court-ordered in restitution, fines and investigative costs during the last two years.

## SIGNIFICANT CASES

### Allegheny County Patient Abuse

Olga Harper, the owner / administrator of the Rose Garden Personal Care Home in Allegheny County, used duct tape to restrain an 85-year-old female resident at her home. The duct tape caused abrasions on the wrists of the patient. Regulations for a personal care home forbid the use of patient restraints.

Harper was charged with neglect of a care-dependent person and admitted to the Allegheny County Accelerated Rehabilitative Disposition Program (ARD). She was placed on probation for two years, ordered to perform 200 hours of community service and to discontinue participation in any aspect of health care for the duration of the two years probation.

### Monroe County Medicaid & Insurance Fraud

In 1999, Attorney General Fisher's Medicaid Fraud Control Section charged Glenn Walkley, owner of the Pocono Prescription Center in Monroe County, and its manager, Patrick Lenehan, with submitting more than \$220,000 in fraudulent bills to the state's Medical Assistance Program and private insurance companies.

Walkley and Lenehan participated in a three-month scheme to defraud the Department of Public Welfare and nine insurance companies of more than \$220,000 by submitting bogus prescription claims.

The Pocono Prescription Center closed its doors for business on September 10, 1997. The fraudulent activity occurred between September 11, 1997 and December 1, 1997, when Walkley and Lenehan submitted and received reimbursement for \$193,000 in fraudulent claims to the nine insurance companies and received \$27,720 in fraudulent claims to the Department of Public Welfare.

Walkley pleaded guilty to Medicaid and Insurance Fraud and was sentenced to between 14 months and five years in prison and ordered to pay full restitution to the Department of Public Welfare and the various defrauded insurance companies. Lenehan was sentenced to five years probation for his role in the scheme.

### Montgomery County Medicaid Fraud

Mary Ann Chestnut, the owner and chief executive officer of Citadel MCH Services, Inc., a Montgomery County health care supply business, fraudulently billed the state \$87,574.48 for medical supplies that were never prescribed by doctors for Medicaid recipients. Chestnut never ordered the supplies and pocketed the money.

Agents in Attorney General Fisher's Medicaid Fraud Control Section interviewed 21 Medicaid patients regarding claims that were submitted on their behalf for medical supplies. None of them reported receiving the equipment, which had been billed to the Department of Public Welfare by Citadel

During the last two years, the Medicaid Fraud Control Section has opened 220 cases for investigative review.

## Attorney General investigates nursing home

By CHRISTINA GOSTOMSKI  
*Dispatch Staff Writer*

Health department also probes facility where woman froze to death

Whether the home will be fined or face other disciplinary action from the

MCH Services, Inc. Agents also interviewed a physician, whose name was listed on the invoices, who told agents that he did not prescribe the medical equipment.

On June 7, 2000, Mary Ann Chestnut was sentenced to a total of 12 years probation and ordered to pay over \$126,500 in restitution and over \$8,000 in court costs.

### Luzerne County Medicaid Fraud

In 2000, Attorney General Fisher's Medicaid Fraud Control Section charged Aaron Richards, a former mental health counselor, with submitting \$5,376 worth of fraudulent Medicaid claims to the Department of Public Welfare.

Richards was hired by the Children's Service Center to provide mobile therapy services for juvenile probation clients and for juveniles detained at the Luzerne County Juvenile Detention Center. The juveniles who received the therapy services were Medicaid recipients. Richards provided officials of the Luzerne County Children's Service Center with fraudulent progress notes and billing logs indicating that he provided mobile therapy services for nine Medicaid recipients when, in fact, he had not.

On October 24, 2000, Richards pleaded guilty to two counts of Medicaid Fraud and was sentenced to one year probation, 25 hours of community service and restitution to the Department of Public Welfare in the amount of \$5,922.

### Allegheny County Patient Neglect

Thomas Bozelli, a nurse's aide at the Woodhaven Care Center in Allegheny County, failed to follow facility patient care regulations.

Bozelli's failure to follow policy resulted in an 88-year-old female patient being dropped. The patient sustained a fractured tibia, fibula and ankle while in Bozelli's care.

Bozelli was charged with one violation of

Neglect of a Care Dependent Person. He was ordered to serve two years on ARD probation, 300 hours of community service and pay \$250 for the costs of the investigation.

### Lancaster County Physician Prescribing Unnecessary Medication

Dr. George M. Kent of Lancaster County prescribed medication to a Schuylkill County woman who, according to another physician, was an alcoholic and drug addict.

Kent began treating the patient in 1989 for apparent lower back pain. When investigators reviewed the patient file, it revealed sparse notations regarding her symptoms, diagnosis and treatment.

From July 1996 to September 1999, Kent ordered the patient 250 prescriptions, while only scheduling six office visits with her. In fact, the patient did not visit Dr. Kent at all in 1997 and 1998.

Dr. Kent was sentenced to two years ARD probation, 100 hours of community service and to permanently surrender his medical license.

### Doctor Commits Medicaid Fraud

On December 19, 2000, Dr. Hoo Joon Cheung pleaded no contest to one count of Medicaid Fraud. He received 36 months probation, 200 hours of community service and was ordered to pay \$18,000 in restitution to the Department of Public Welfare.

Dr. Cheung was charged with submitting claims to defraud the Medical Assistance program by billing for services not rendered.

The investigation of Dr. Cheung revealed that he was billing the Medical Assistance Program for an unusually high number of anesthetic nerve block injections. He actually was administering injections known as trigger point injections, which are not as costly as anesthetic nerve block injections, and billing the Medical Assistance Program for the more costly injections.



# INSURANCE FRAUD

The General Assembly created the Insurance Fraud Section of the Office of Attorney General with the passage of Act 166 in 1994. The section aggressively investigates and prosecutes all types of insurance fraud, including workers' compensation fraud, auto-related fraud, health care fraud, life insurance fraud and homeowner/commercial property fraud.

**This program is funded by the insurance industry  
- not by taxpayers.**

During the last two years, the Insurance Fraud Section has received 1,309 referrals, which resulted in 915 cases opened for investigative review and 394 cases opened as assigned criminal investigations. Since 1999, 208 individuals have been arrested for insurance fraud-related crimes. In fact, the Insurance Fraud Section arrested 120 individuals in 2000, the unit's highest yearly arrest figure since its inception in 1995. The Insurance Fraud Section is responsible for more than \$1 million that has been court-ordered in restitution and fines during the last two years.

## SIGNIFICANT CASES

### "Dead Man Walking" case

A former Easton man and his wife face charges of allegedly conspiring to defraud nine insurance companies of death claim benefits in the amount of \$1,886,493. Lee and Phatcha Kongsiri are charged with orchestrating Lee's phony death in September 1995 while Lee was on a trip to Thailand. Phatcha submitted false documents to obtain \$1,586,947 in death claim benefits. Two of the insurance companies, Allstate and Prudential, suspected fraud and refused to pay the claims.

The Kongsiri's scheme was uncovered when their son's in-laws traveled to Thailand for their 35<sup>th</sup> wedding anniversary and were allegedly met at the Bangkok airport by Lee and Phatcha Kongsiri. The couple, not knowing that the Kongsiri's allegedly had faked Lee's death, filmed the meeting with the Kongsiri's at the airport on their camcorder.

The Kongsiris were arrested by the Thai Royal Police on November 14, 1999, and incarcerated in a Bangkok prison. They were finally extradited to the United States on January 11, 2001.

They are presently in Lehigh County Prison awaiting trial on charges of insurance fraud, theft by deception, attempted theft by deception and criminal conspiracy. If convicted on all charges, they each face a maximum of 133 years in prison and \$285,000 in fines.



Attorney Mike Fisher announces fraud charges against Lee Kongsiri, above right, and his wife, Phatcha, on Friday in Allentown. Flanking Fisher were Lehigh County DA James B. Martin and prosecutor Julie Harterbow. CORNELL/STAFF PHOTOGRAPHER

## A story of life and death

**■ Ex-Palmer couple charged in faked death for insurance money.**

By KATHY HUBBARD  
Of The Morning Call

A LEHIGH COUNTY couple was charged with orchestrating a phony death to defraud nine insurance companies of \$1.9 million in death benefits.

The 46-year-old couple, Lee and Phatcha Kongsiri, were charged with conspiring to defraud nine insurance companies of \$1.9 million in death benefits.

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Lee, 46, of Lehigh County, and his wife, Phatcha, 46, of Lehigh County, were charged with conspiring to defraud nine insurance companies of \$1.9 million in death benefits.

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## Delaware County SEPTA case

Deane Awkard and William Walker committed insurance fraud for filing false claims for \$9,363 in medical services and a \$50,000 lawsuit with the Southeastern Pennsylvania Transportation Authority (SEPTA) for bodily injuries they allegedly sustained when a trolley derailed and hit them in the parking lot of the Darby Loop. Two SEPTA surface train operators witnessed Awkard and Walker lying on the ground, 20 feet from the train after it had derailed.

Awkard and Walker each pleaded guilty to insurance fraud and Walker also pleaded guilty to filing a false report to law enforcement officials. Awkard received 48 months probation and 40 hours of community service, while Walker received two to 23 months house arrest, 24 months probation and 40 hours of community service for his part in the fraud.

## Montgomery County Basketball case

Revena Milligan, a Montgomery County resident, was involved in an automobile accident. Milligan sued and claimed a potential career-ending injury to her knee. Through her attorney, Milligan stated that she was a member of the 1996 Temple University Women's Basketball Team. She also produced a letter purportedly signed by Temple University Women's Basketball coach Kristen Foley, which supported her claim.

Based on Milligan's representations that she had a promising basketball career, her attorney claimed that the case had a trial value in excess of \$175,000. An investigation disclosed that Milligan was not a member of the Temple University Women's Basketball Team and that the letter from Coach Foley was fraudulent.

Milligan pleaded guilty to attempted theft by deception and was sentenced to two years probation, 40 hours of community service, costs of the prosecution and a \$500 fine.

Pennsylvania's  
Insurance Fraud  
Section is responsible  
for more than **\$1 million**  
in court-ordered  
payments over the last  
two years.



## Chester County Insurance Agent case

Michael McKinney, a Chester County insurance agent, sold insurance coverage that did not exist and misrepresented to clients that they were paying for health insurance, while in reality McKinney was diverting funds for his personal use. The approximate amount of misused payments and claims filed without insurance was more than \$328,000.

McKinney pleaded guilty to theft by deception, insurance fraud and fiduciary capacity of agents and brokers on April 8, 1999. He was sentenced to between 18 and 59 ½ months incarceration, 12 years probation and ordered to pay \$328,824.88 in restitution.

## Pharmacy Fraud in Allegheny County

Carolyn Weber, an Allegheny County pharmacist, created call-in prescriptions by physicians, which were never called in. Weber dispensed the medications to herself and to numerous friends and family members. The phony prescriptions, which totaled 237, were then billed to three separate insurance companies. All physicians denied writing or calling in the prescriptions in question.

Weber pleaded guilty to insurance fraud and theft by deception on February 29, 2000. She was sentenced to one year probation, to attend drug and alcohol treatment and ordered to pay costs of prosecution and restitution of \$3,452.22.

## **Chester County Workmen's Compensation Fraud**

Marcus Lee was receiving workers' compensation benefits from the State Workers Insurance Fund for an injury that he sustained while working at the Inventory Control System in Chester County, under an assumed name, Marcus Gammon. It was then discovered that he also had worked for the John Havard Brew House, where he allegedly sustained another injury and was collecting additional benefits under his real name, Marcus Lee.

Lee pleaded guilty to workmen's compensation fraud and was sentenced to two to 23 months incarceration to be served as house arrest, three years probation and ordered to pay the costs of the prosecution and restitution of \$35,079 to the State Workers' Insurance Fund.

**Insurance fraud  
costs Pennsylvanians  
25 cents on every  
insurance dollar  
they pay.  
The Insurance  
Fraud Section works  
to get it back.**

## **Chester County Annuity Scam**

Arthur Gelembiuk was contracted to market annuities for Legacy Marketing Group in Chester County. On April 11, 1995, he received \$25,054 from clients for annuity policies, which were never written. Gelembiuk used the funds for his own personal use.

On March 14, 2000, Gelembiuk pleaded guilty to insurance fraud and fiduciary capacity of agents and brokers and

sentenced to between 30 days and six months house arrest with three years probation. Gelembiuk was also ordered to pay restitution of \$25,054 to the American National Insurance Company.

## **Clearfield County Insurance Fraud**

Four Clearfield County residents were arrested for their participation in a fraudulent home health care scheme. In 1988, Edward Williams, father of Kimberly Augenbaugh, was involved in an automobile accident and was entitled to catastrophic loss benefits, including payment of home health care services. From 1990 to 1996, Inversco, the third party administrator for the Pennsylvania Catastrophic Loss Fund, received invoices from Kimberly Augenbaugh in the amount of \$42,300 for home health care services provided by Monica Carlins, Frank Dragoone and Jeffrey Duttry for Edward Williams. An investigation revealed that Augenbaugh had an agreement with Carlins, Dragoone and Duttry and that no such services were provided to Edward Williams by these individuals.

Dragoone pleaded guilty to insurance fraud and criminal conspiracy and was sentenced to four to 23 months incarceration, two years probation, 70 hours of community service and ordered to pay the costs of prosecution. Carlins was found guilty of theft by deception and was sentenced to one year probation, 100 hours of community service and ordered to pay a fine of \$1,000 and restitution. Duttry pleaded guilty to insurance fraud and was sentenced to three to 23 months incarceration, half of which was served as house arrest, two years probation, 70 hours of community service, ordered to pay the costs of the prosecution and pay a fine of \$500 and restitution.

Augenbaugh pleaded guilty to two counts of insurance fraud, one count of theft by deception and three counts of criminal conspiracy. Augenbaugh was sentenced to six to 23 months incarceration, two months of which was served as house arrest; four years probation; 100 hours of community service, and ordered to pay the costs of the prosecution, a \$275 fine and restitution.

## Attorney General Fisher Receives the **1999 PINK RIBBON AWARD**

Attorney General Mike Fisher was presented the 1999 Pink Ribbon Award for his efforts in the fight against breast cancer. The honor was awarded at the Keystone Breast Cancer Conference at the Harrisburg Hilton and Towers on October 13, 1999 by Honorary Chair First Lady Michele Ridge. In announcing the award, Coalition President and Founder Pat Halpin-Murphy highlighted Attorney General Fisher's leadership in negotiating the national tobacco settlement, and said his "effectiveness...will help ensure the health of Pennsylvania women and their families for generations to come."



The Pink Ribbon is awarded by the Pennsylvania Breast Cancer Coalition to those individuals who have exhibited distinguished legislative, scientific, medical or community leadership in the field of breast cancer research. Through Attorney General Fisher's leadership, Pennsylvania will be receiving approximately \$11 billion from the tobacco industry's settlement with the states. The Attorney General's desire to see the money used for health care issues, including cancer research, prevention, education and treatment has drawn praise from cancer prevention and support groups like the Pennsylvania Breast Cancer Coalition.



**Attorney General Mike Fisher accepts the Pink Ribbon Award.**

# APPEALS & LEGAL SERVICES

This Section is responsible for representing the Commonwealth in all criminal appeals in which the Office of Attorney General is a party, for advocating the position of the Attorney General as amicus curiae ("friend of the court") on important legal issues in cases prosecuted by the county district attorneys and for intervening in cases where the state statutes are challenged as unconstitutional.

This Section coordinates and schedules all matters to be brought before statewide investigating grand juries and handles all legal issues which arise in statewide investigating grand jury proceedings.

Section attorneys also review all extradition requests before they are submitted to the Governor for action. They also analyze and review pending legislation and recommend suggested positions for the Office of Attorney General on such legislation.

## SIGNIFICANT CASES

### Commonwealth v. Stephen B. Scher

In 1997, Stephen B. Scher was convicted of first degree murder for the 1976 death of Martin Dillon.

Scher appealed his conviction to the Pennsylvania Superior Court alleging that his due process rights were violated because of the 20-year pre-arrest delay. The Superior Court agreed with Scher, reversed his conviction and ordered that Scher be released from prison.

Attorney General Fisher petitioned the Pennsylvania Supreme Court to hear his appeal of the Superior Court's opinion. The Pennsylvania Supreme Court granted Fisher's petition for allowance of appeal and on May 2, 2000, the Attorney General personally argued the case.

Attorney General Fisher argued that the Superior Court's ruling essentially established a statute of limitations for murder in Pennsylvania by disregarding United States Supreme Court precedent and setting a new standard for pre-arrest delay cases. This case could have enormous consequences for police and prosecutors in many unsolved homicides.

## Fisher: Scher should not benefit from obstruction

BY PHILIP J. GILBERT  
OF THE PHILADELPHIA INQUIRER

Dr. Steven Scher's own admission that he had obstructed justice in the case of Stephen B. Scher, who was convicted of first degree murder in 1997, has led to a new trial for Scher.

## AG Urges Court Not To Reward Dr. Scher

Justice to decide whether to reinstate conviction

BY THE PHILADELPHIA INQUIRER

The Justice Department is asking the Supreme Court to decide whether to reinstate the conviction of Stephen B. Scher, who was convicted of first degree murder in 1997, after a 20-year pre-arrest delay.

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PHILADELPHIA (UPI) — A federal judge has ordered a new trial for Stephen B. Scher, who was convicted of first degree murder in 1997, after a 20-year pre-arrest delay.

Fisher wants the court to reinstate Scher's conviction, or send the case back to the Superior Court.

In a unanimous ruling that rejected Scher's motion, the court said that the 20-year delay did not prejudice Scher's defense.

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Although there is no statute of limitation on murder charges, the prosecution must show cause for any inordinate delay that prejudices the defendant.



Scher

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Fisher and Scher



## Commonwealth vs. Lambert: **A CASE HISTORY**

In December 1991, Lisa Michelle Lambert was charged with murder for the brutal slaying of 16-year-old Laurie Show in her Lancaster County home. Along with Lambert, the police also charged Lambert's friend Tabitha Buck and Lambert's boyfriend, Lawrence Yunkin.

In a 1992 bench trial, prosecuted by the Lancaster County District Attorney's Office, Lambert was convicted of first-degree murder and sentenced to life in prison. Later that year, a jury convicted Buck of second-degree murder and she was given a life sentence. Yunkin pleaded guilty to third-degree murder and is serving a 10- to 20-year state prison sentence.

After hearing Lambert's appeal of her sentence, U.S. District Court Judge Stewart Dalzell overturned Lambert's conviction and barred the prosecutors from retrying her. Dalzell declared that Lambert was "actually innocent" of killing Laurie Show.

Attorney General Mike Fisher, supported by five other Attorneys General, filed a "friend of the court" brief in support of the appeal filed by the Lancaster County District Attorney's Office. Fisher and the other Attorneys General argued that Dalzell had overstepped his authority and that, if left unchallenged, his ruling would have irrevocable consequences to state courts throughout the nation.

The Third U.S. Circuit Court of Appeals agreed with Attorney General Fisher and overturned Judge Dalzell's ruling. In February 1998, Lambert's conviction was reinstated and she was returned to prison, left to continue her appeals in the state courts.

After winning the appeal, the Lancaster County District Attorney's Office asked Attorney General Fisher to assume jurisdiction of the Lambert case based on a lack of resources and potential conflict of interest. Lancaster County had already spent \$1 million on its appeal of Judge Dalzell's ruling and in subsequent appeal hearings, members of the DA's office would likely be called to testify.

*“Despite the national attention this case has received, and not withstanding Lisa Lambert’s active imagination, the victim in this case is Laurie Show and her family — not Lambert, who is a convicted murderer who should spend the rest of her life behind bars”*  
- Attorney General Mike Fisher

Attorney General Fisher assembled a team of top-flight appellate lawyers from his Appeals and Legal Services Section and Legal Services Section led by veteran prosecutor Deputy Attorney General Christy Fawcett. In May 1998, Lambert began her Post Conviction Relief Act hearing in Lancaster County Court. The PCRA hearing lasted nine weeks and featured more than 100 witnesses. On Aug. 26, 1998, Judge Lawrence Stengel upheld Lambert's conviction in a 323-page opinion.

Lambert appealed that decision, and on December 18, 2000 the Superior Court of Pennsylvania affirmed the ruling by Judge Stengel. This Superior Court opinion rejected Lambert's efforts to reverse the Lancaster County Court decision that upheld her conviction.

On March 19, 2001, the U.S. Supreme Court rejected Lambert's request for a hearing. Lambert had asked the nation's highest court to overturn a federal appeals court ruling from 1997 that sent her case back to the Pennsylvania court system.

In January of 2001 Lambert also resumed efforts to move her case back to the courtroom of U.S. District Judge Stewart Dalzell — who had set her free in April of 1997. Lambert's

lawyers maintain that she now has the right to bypass the Pennsylvania Supreme Court and seek a new federal review of her case.

Anticipating the case's return to U.S. District Court, Attorney General Mike Fisher filed a motion on February 23, 2001 asking Judge Dalzell to recuse himself from any further involvement in the Lambert case. The Attorney General's motion states that Judge Dalzell's earlier actions in this case has raised doubts about his ability to render a fair and impartial decision.

"Despite the national attention this case has received, and notwithstanding Lisa Lambert's active imagination, the victim in this case is Laurie Show and her family — not Lambert, who is a convicted murderer who should spend the rest of her life behind bars," Attorney General Fisher said.



# Fighting Drugs in PENNSYLVANIA

Realizing the importance of curbing the drug problem in our country and Pennsylvania, the General Assembly and the Governor have appropriated almost \$17 million to Attorney General Fisher's Municipal Drug Task Force program during the previous two years. The Task Force Program provides funding to District Attorneys and municipalities to help fight the local war against drugs. In many Pennsylvania counties, Fisher's Municipal Drug Task Force program is the primary weapon against drug trafficking.

There are two types of drug task forces funded by Attorney General Fisher's office: District Attorney-controlled task forces and Attorney General-controlled task forces. Currently, 62 out of 67 counties in Pennsylvania participate in the Attorney General's Drug Task Force program. During the last two years, the Office of Attorney General has added four more Attorney General-controlled task forces in Bradford, Centre, Fayette and Jefferson counties and two more District Attorney-controlled task forces in Allegheny and Montgomery counties.

Recently, Pennsylvania has seen a rise in the use of "Club Drugs" with teenagers and young adults. Ecstasy, Ketamine and GHB (Gamma Hydroxybutyric Acid) have become known as club drugs, because of their popularity among young people who attend "rave" parties, which are all night dance parties usually held at local dance clubs across the Commonwealth. Attorney General Fisher has been a leader in educating law enforcement officials, teachers, parents and children about the dangers of these drugs. In fact, as a result of an arrest in May 2000, Ketamine was added to the list of controlled substances in Pennsylvania.

In addition to the club drugs, Attorney General Fisher's drug agents continue to fight the spread of drugs such as marijuana, cocaine and heroin from the urban centers into the small towns and rural regions. As long as there is a market for drugs, the Attorney General will continue to investigate, arrest and prosecute the drug pushers who prey on our children and neighborhoods.

## Fisher puts Internet drugs on notice

**A**ttorney General Mike Fisher was right to file lawsuits against a group of out-of-state Internet drug companies for selling prescription drugs online without a medical license.

The practice, as Fisher says, threatens the health of state residents.

In this country, powerful drugs are required to be obtained only after a doctor writes a prescription.

That's because prescription drugs can be fatal when incorrectly used by people with certain medical conditions.

Fisher said these Internet companies are mailing residents prescription drugs with potentially fatal side effects with no verification of the buyer's age, physical condition or medical history.

State law requires that prescription drugs be dispensed to consumers only by a state licensed pharmacist or medical practitioner.

And yet investigations for the state attorney general were able to obtain prescription drugs over the Internet.

For example, men with heart conditions should not take Viagra, one of the state drugs being bought online.

The attorney general launched the investigation as part of an effort by the National Association of Attorneys General, which decided to make this a national project because of so many consumer complaints.

At least three other states also have taken legal action.

The investigators visited three separate Web sites that advertised the drugs Viagra, to treat impotency, Propecia, hair loss, and Xanax, for anxiety.

Fisher noted no physical exam, blood test or medical history was required to buy the drugs.

The investigators, however, posing as consumers, had to agree to a "waiver of liability" when buying the drugs.

The Internet is a great way for consumers to shop around for the best prices on many products.

But it may be a bad idea if the drugs endanger their health.

Fisher said these Internet companies are mailing residents prescription drugs with potentially fatal side effects with no verification of the buyer's age, physical condition or medical history.

## Display fires shot in battle against new drug trends



Attorney General Mike Fisher on Wednesday displays drug paraphernalia, including Ecstasy and other "club drugs," he says, are popular at rave parties. The display was part of a conference held in Wilkes-Barre in an attempt to educate law enforcement officials about how to deal with new types of drugs.



# BUREAU OF NARCOTICS INVESTIGATION AND DRUG CONTROL

The Bureau of Narcotics Investigation (BNI) and Drug Control has eight regional offices throughout the Commonwealth of Pennsylvania with headquarters in Harrisburg. With more than 180 sworn narcotics agents, the Bureau enforces the Controlled Substance, Drug Device and Cosmetic Act and other related statutes.

Upon taking office, Attorney General Mike Fisher established the following priorities for the Bureau:

- Target mid- to upper-level drug traffickers
- Increase efforts in interdiction
- Cooperate with federal, state and local law enforcement
- Provide OAG municipal drug task forces with funding, training and leadership
- Investigate the diversion of legal drugs into illegal channels



## ORGANIZED CRIME & NARCOTICS

Organized Crime and Narcotics within the Criminal Law Division of the Pennsylvania Office of Attorney General consists of three sections:

1. The Drug Strike Force Section
2. The Asset Forfeiture & Money Laundering Section
3. The Organized Crime Section

## DRUG STRIKE FORCE SECTION

The Drug Strike Force Section attorneys, stationed at each of the Regional Drug Strike Force Offices, supervise the drug investigations across the Commonwealth. They are also available to assist any regional Municipal Drug Task Force members and / or police personnel in the same fashion.



## SIGNIFICANT CASES

### Berks County Marijuana Ring

On May 8, 2000, Attorney General Fisher, along with Berks County District Attorney Mark Baldwin, announced the break-up of a major Mexico to Berks County marijuana trafficking organization. State and local narcotics agents arrested 11 individuals and seized nearly 1,000 pounds of marijuana with an estimated street value of more than \$1.2 million.

Fisher's Bureau of Narcotics Investigation (BNI) agents and local police intercepted a tractor-trailer filled with marijuana. In addition to the marijuana, agents seized \$95,000 in cash, numerous weapons - including a sawed off shotgun and .40 caliber handgun - and three small bags of cocaine.

In October 2000, BNI agents and local police arrested an additional 14 drug dealers during the second phase of the investigation into illegal drug trafficking in Reading and Berks County.

### Monroe County Cocaine Ring

In March 1999, BNI agents, along with officers of the Monroe County Drug Task Force, arrested seven individuals connected to a \$6 million cocaine trafficking ring operating in Stroudsburg, Monroe County.

The investigation into the cocaine and marijuana trafficking in Monroe County revealed that during a three year period the organization sold 150 pounds of cocaine in Monroe County. The organization received its cocaine from a supplier in the Crown Heights section of New York City. A majority of the cocaine trafficking took place at the Carlton House, a rooming house located on Main Street in Stroudsburg.

### York County LSD, Ketamine and Ecstasy Ring

On May 22, 2000, Attorney General Mike Fisher and York County District Attorney Stan Rebert announced the breakup of a \$1.5 million LSD, Ecstasy and Ketamine ring operating in York and Lancaster counties.

The drug dealers sold a large volume of LSD, Ecstasy and Ketamine in and around the Zodiac Club in York. The Zodiac Club hosts all night dance parties known as rave parties.

These "club drugs," as they have become known, are popular among high school and college students who attend the rave parties. Many parents and adults are not familiar with the

dangers associated with these drugs, including brain damage and death.

The investigation into the York and Lancaster counties club drug ring revealed that there were two separate LSD organizations and one Ecstasy organization operating in and around the Zodiac Club. The Ecstasy organization also distributed the Ketamine. BNI agents estimated that during an eight month period \$850,000 worth of Ecstasy, \$600,000 worth of LSD and \$60,000 worth of Ketamine were distributed.

### Kempton Cartel

On December 15, 1999, Attorney General Mike Fisher announced the break-up of a major cocaine, methamphetamine and marijuana trafficking ring operating in Berks and Lehigh counties.

The drug ring, which is known as the Kempton Cartel, distributed as much as 400 pounds of marijuana a year in Berks and Lehigh counties. The drug ring was responsible for distributing approximately \$8 million of marijuana and \$100,000 of cocaine.

On May 19, 2000, the alleged ring leader of the Kempton Cartel, Robert Werley, was captured in Canada by the Royal Canadian Mounted Police. Werley had been on the run from authorities for six months before Fisher's Bureau of Narcotics Investigations (BNI) agents were able to trace his steps to Canada.



## Ronald Whethers

In June 2000, Attorney General Mike Fisher, along with Pennsylvania State Police Commissioner Paul Evanko, announced the arrest of convicted drug dealer and charged murderer Ronald Whethers and six of his associates. Whethers was charged with continuing to run his drug organization from inside the Westmoreland County Jail.

Whethers, who has been in the Westmoreland County Jail awaiting trial on criminal homicide charges for his alleged role in the 1993 murder of Michael Lucas, whose heart and liver were transplanted into then Governor Robert P. Casey, was operating his drug organization from within the jail by using a cellular telephone. Whethers obtained the cellular phone from a corrections officer at the Westmoreland County Jail, who was on Whethers' payroll and was paid in cash, marijuana and cocaine. Whethers made contact with outside members of his organization with the cell phone and directed drug transactions throughout southwestern and central Pennsylvania and New York.



Several young men accused of being drug dealers are being held in the Westmoreland County Jail. The men are being held in the jail after being arrested by Pennsylvania State Police officers. The men are being held in the jail after being arrested by Pennsylvania State Police officers. The men are being held in the jail after being arrested by Pennsylvania State Police officers.

## Agents swoop down on club drug suspects

Police said they nabbed 21 people suspected of selling Ecstasy, 'Special K' and LSD to young people.

IN THREE CONVENTIONS AND CAROL CHASE, LAWYER SAID.

Authorities arrested 21 people in a series of raids on a club in the city of New York. The club was a popular spot for young people to dance and party.

The suspects, who lived in New York, Tennessee and other states, were charged with selling Ecstasy, 'Special K' and LSD to young people. The club was a popular spot for young people to dance and party.



Pennsylvania Attorney General Mike Fisher announced the arrest of Ronald Whethers and six of his associates. The men are being held in the jail after being arrested by Pennsylvania State Police officers. The men are being held in the jail after being arrested by Pennsylvania State Police officers.

Among the suspects arrested were a corrections officer in the Westmoreland County Jail, Ronald Whethers' daughter, Rachel, and two suppliers of cocaine, heroin and marijuana from New York City. Following his June arrest, Whethers was transferred from the Westmoreland County Jail to a state prison facility.

In December 2000, Attorney General Fisher and the Pennsylvania State Police announced the arrests of an additional 20 individuals connected to Whethers' drug organization. Fisher also released a grand jury report on the security practices at the Westmoreland County Jail, which among other things recommended that there be an amendment to the criminal statute defining contraband in correctional facilities to include cell phones, pagers and other electronic communication devices in its definition.

## Western Pennsylvania Drug Ring

On April 7, 2000, Attorney General Fisher announced the break-up of a major Western Pennsylvania cocaine ring. Fisher's agents charged five individuals with operating a multi-million-dollar cocaine ring that smuggled drugs from the Dominican Republic through New York City to Fayette County and Western Pennsylvania.

The 11-month investigation by Fisher's Bureau of Criminal Investigation and Bureau of Narcotics Investigation (BNI), focused on the activities of Gary Ramsey of Whitsett, Fayette County. BNI agents alleged that the Ramsey drug ring imported as much as 163 kilos of cocaine, during a five-year period from 1994 to 1999, with an estimated street value of \$8.5 million.

## New Jersey to Erie Cocaine Ring

In November 1999, Attorney General Fisher announced the break-up of a major Newark, New Jersey, to Erie cocaine trafficking organization. The drug ring, which operated from 1997 to 1999, distributed more than 40 kilos of cocaine in the Erie area. The estimated street-level value of the cocaine was more than \$1 million.

Noel Vega of Erie was identified as the main distributor of cocaine throughout the



Erie area. Vega operated much of the cocaine business from his auto body repair shop. Vega obtained his cocaine from a large scale cocaine dealer in Newark. Jesus "Cano" Perez of Newark was the alleged kingpin of the organization. He surrendered to authorities in January 2000.

### Williamsport Cocaine Organization

In September 1999, Attorney General Fisher, along with Lycoming County District Attorney Thomas Marino, announced the break-up of a \$1.5 million cocaine ring operating in and around the city of Williamsport.

As a result of the year long investigation into cocaine trafficking in the Williamsport area 26 individuals were arrested including the drug kingpin, Felix Adorno, of East Williamsport. Adorno was responsible for obtaining and selling approximately 18 pounds of cocaine with an estimated street value of more than \$1.5 million.

### Mercer County Drug Ring

In December 2000, Attorney General Fisher's BNI agents and local police arrested eight individuals who participated in a \$4 million cocaine trafficking ring in Mercer and Crawford counties.

The arrests were the result of an 11-month investigation into drug trafficking in Mercer and Crawford counties. BNI agents discovered that

Vernon Scott of Sharon, Mercer County was the ring leader of the cocaine organization and that since 1996, he and his associates were responsible for distributing more than 20 kilos of cocaine with an estimated street value of more than \$4 million.

### Mifflin County Four

In May 1999, Attorney General Mike Fisher, along with Mifflin County District Attorney Stephen Snook and the Pennsylvania State Police, announced the arrests of four crack cocaine dealers in the Lewistown area.

The arrests were the result of a 16-month investigation into crack cocaine dealing in Lewistown and the surrounding area. The investigation found that from October 1997 to May 1998, four individuals from New Jersey were supplying crack cocaine to the Lewistown area. The drug dealers obtained their crack cocaine from New Jersey or New York and sold it from various residences in Lewistown. The dealers, who sold an estimated \$100,000 worth of crack cocaine, would move into a residence for a period of time and then move into other residences.

### Lackawanna and Luzerne Steroid Ring

In December 1999, Attorney General Fisher announced the arrests of 13 individuals involved in illegal trafficking of steroids in Lackawanna and Luzerne counties.

The arrests were the result of a BNI and statewide grand jury probe into illegal steroid trafficking and use in Lackawanna and Luzerne counties from 1995 to 1999. Among those arrested were three police officers.

The grand jury found that most of the defendants allegedly using the steroids were bodybuilders and weight lifters who belonged to Gold's Gym in Scranton and Gold's Gym in Kingston.



## Police bust \$6M cocaine ring in S-burg

Seven arrested in alleged operation from rooming house AG calls 'hell hole'

By JEFFREY J. KATZ  
SUNBURG, Pa. (AP) — Seven people were arrested by Lackawanna County police in a raid on a rooming house in Sunburg, Pa., on Tuesday. The house, which was used as a base for a large-scale cocaine distribution ring, was described by Attorney General Mike Fisher as a "hell hole." The raid was part of a multi-agency operation to dismantle a \$6 million cocaine ring. The seven individuals arrested include two police officers and five civilians. The operation was coordinated by the Lackawanna County Sheriff's Office and the Pennsylvania State Police. The seized items included large quantities of cocaine, cash, and other evidence related to the drug trafficking operation. The individuals arrested are being held in Lackawanna County Jail pending further legal proceedings.



The raid was part of a multi-agency operation to dismantle a \$6 million cocaine ring. The seven individuals arrested include two police officers and five civilians. The operation was coordinated by the Lackawanna County Sheriff's Office and the Pennsylvania State Police. The seized items included large quantities of cocaine, cash, and other evidence related to the drug trafficking operation. The individuals arrested are being held in Lackawanna County Jail pending further legal proceedings.

In June 2000, Attorney General Fisher announced the arrest of a Lackawanna County doctor during the second phase of the investigation. Dr. Charles Connors of Clarks Summit was charged with multiple counts of illegally administering anabolic steroids to bodybuilders without valid medical reasons to do so and failing to keep medical records of the steroid distributions. The grand jury found that Connors charged between \$10 and \$20 for each steroid injection he administered.

In September 2000, Fisher announced five more arrests - including two former police officers - who were involved in the steroid ring. Twenty four individuals were arrested with connections to steroid ring.

### Lancaster County Cocaine & Marijuana Ring

On October 30, 2000, Attorney General Fisher announced the break-up of a multi-million dollar Lancaster County cocaine and marijuana ring. The arrests were the result of a BNI and statewide grand jury probe into illegal drug dealing in Lancaster County.

The grand jury identified the ring leader as Jordan Morales of Lancaster. From 1999 to 2000, Morales distributed one to three kilos of cocaine and 100 pound quantities of marijuana per month in Lancaster. The estimated street value of the drugs was more than \$5 million.

### Sentence of Northeastern Pennsylvania Drug Kingpin

In March 2000, Jason Tricarico was sentenced by Lackawanna County Senior Judge S. John Cottone to 14 to 28 years in state prison and fined \$40,000. Tricarico, of Wilkes-Barre, was responsible for importing multiple ounce to kilo-size quantities of cocaine from New York City into Northeastern Pennsylvania. From 1994 to 1998, Tricarico, along with his associates, distributed more than \$6 million worth of cocaine in Lackawanna and Luzerne counties.

Tricarico and his wife, Alyssa Loftus, were arrested in December 1998 following an 11-month investigation into drug trafficking in Lackawanna and Luzerne counties. In addition to Tricarico and his wife, 12 other individuals have been charged in connection to the drug organization, including one of Tricarico's key associates, Brihem Twyman, who was sentenced to six to 12 years in state prison.



Attorney General Mike Fisher receives the Guiding Star Award presented by Fred Hafer, the CEO of the GPU Energy, at Drug Free Pennsylvania's 1999 Annual Awards luncheon.

# ASSET FORFEITURE & MONEY LAUNDERING

In battling drug dealers, Attorney General Mike Fisher has actively sought to seize their assets under the Controlled Substances Forfeiture Act. The monies derived from these seizures and forfeitures are, in turn, used by law enforcement to help fund the war on drugs and to help community-based drug and crime-fighting programs.

Attorney General Fisher's Asset Forfeiture & Money Laundering Section consists of attorneys located in Harrisburg, Butler, Philadelphia and Pittsburgh. These attorneys are primarily responsible for the litigation of asset forfeiture cases, including the forfeiture of real estate, cash, automobiles, jewelry, bank accounts and other financial instruments.

## SIGNIFICANT CASES

### Westmoreland County Prison

In November 2000, an investigation into a prison inmate at the Washington County Correctional Facility resulted in the inmate's conviction for delivery of narcotics, conspiracy to deliver narcotics, corrupt organizations and money laundering.

The investigation uncovered that Ronald Whethers, a convicted murderer and drug dealer, orchestrated a drug organization from prison and utilized his drug proceeds to keep his conspirators equipped with cell phones and pagers, which were used to promote the sale of drugs. Whethers was sentenced to an additional five to 10 years for these offenses.

### Drug House Forfeited

In November 2000, Attorney General Fisher's Asset Forfeiture and Money Laundering Section seized a residence of Ernest Groft of Lebanon, \$7,420 and a 1992 Lexus. Groft's assets were forfeited after numerous undercover purchases of marijuana were made at Groft's residence and a search produced 12 pounds of marijuana and three ounces of cocaine.

### Beaver County Seizure of \$56,325

On March 22, 2000, agents from Attorney General Fisher's Bureau of Narcotics Investigation (BNI) executed a search warrant in Beaver County at a storage facility rented by Donald Sampson. The BNI agents found marijuana, pharmaceutical substances, \$50,000 and a scale. Sampson consented to a subsequent search of his residence, where additional marijuana, pharmaceutical substances, scales and \$6,325 were found.

On December 12, 2000, the \$56,325 was forfeited to the Pennsylvania Office of Attorney General.

**In 1999 and 2000, more than \$4.2 million in cash, 141 vehicles and six properties were forfeited. Forfeiture of millions of dollars more in cash and assets are still pending.**

### Washington County Seizure

In October 2000, Edward Brooks, Alfred Ralston and Karl Knoneberg were convicted for delivery of narcotics, corrupt organizations, conspiracy to deliver narcotics and money laundering. The convictions were the result of an extensive marijuana investigation by the Pennsylvania State Police in cooperation with Ohio authorities.

As a result of the investigation, 236 pounds of marijuana were seized and approximately \$390,000 was forfeited to the Pennsylvania Office of Attorney General.

### Bucks County Seizure

In February 2000, Attorney General Fisher's Asset Forfeiture and Money Laundering Section seized over \$166,000 in Bucks County. The money was forfeited by James Dungan as the result of an investigation into the illegal trafficking of methamphetamine.

In addition to the \$166,000, the Asset Forfeiture and Money Laundering Section also seized three automobiles from Dungan, including a 1983 BMW, 1992 BMW and a 1995 Ford F-250 pick-up truck.

### Westmoreland County Money Laundering

On September 1, 2000, Thomas Pennaveria was arrested for Dealing in Unlawful Proceeds, pertaining to his financial transactions involving narcotics dealers in the Westmoreland County area. Pennaveria is accused of conducting sales of high priced automobiles with drug money from dealers while fabricating documents to hide the ownership and source of the money.

## ORGANIZED CRIME

The attorneys and agents who serve in Attorney General Mike Fisher's Organized Crime Section are experienced prosecutors in the field of organized criminal activity and narcotics. Their mission, like that of the Drug Strike Force attorneys, is to coordinate the investigative activities of the Organized Crime Unit of the Bureau of Narcotics Investigation (BNI) and the Organized Crime Division of the Pennsylvania State Police and to prosecute organized crime-related cases.

Attorney General Fisher has charged this Section with investigating and prosecuting members of organized criminal enterprises, including gangs, with particular emphasis on La Cosa Nostra, Asian and Eastern European organizations. Section attorneys provide legal guidance in the development of both drug and non-drug investigations with organized crime ties.

### SIGNIFICANT CASES

#### Southeastern Pennsylvania \$12 Million Drug Ring

On September 21, 2000, Attorney General Mike Fisher along with Chester County District Attorney Anthony Sarcione and the Pennsylvania State Police announced the arrests of 13 members of a \$12 million marijuana trafficking ring operating in southeastern Pennsylvania.

The drug ring - with a Los Angeles-based supplier - shipped approximately 230 pounds of marijuana every 10 days into West Chester, Chester County. This organization was responsible for shipping

more than 6,000 pounds of marijuana annually into Chester, Dauphin, Lebanon, Montgomery and Philadelphia counties and also into Maryland and Delaware.

During the course of the investigation, which was known as Operation Tropical Storm and involved the Pennsylvania State Police, the Attorney General's Office, the West Chester Police, Philadelphia Police, Los Angeles Police, the Maryland State Police and the Chester and Montgomery County District Attorney's Offices, it was discovered that the organization utilized both Federal Express and United Parcel Service (UPS) to ship their money and marijuana between Los Angeles and Pennsylvania.

The investigation was submitted to the Fifteenth Statewide Investigating Grand Jury, which recommended that the 13 individuals be charged with numerous violations of the Controlled Substance, Drug, Device and Cosmetic and Corrupt Organizations Acts along with other related charges.

#### Allegheny / Fayette Illegal Gambling Operation

In October 2000, Attorney General Mike Fisher along with the Pennsylvania State Police, announced that 16 individuals had been charged with participating in a multi-million dollar illegal gambling operation in Allegheny and Fayette counties.

The investigation began with a small bookmaker and progressed through a number of layers to the head of the gambling operation, Thomas "Sonny" Ciancutti, who allegedly is a member of the Genovese organized crime family. Prosecutors from Fisher's office and the state police found

# Busted

Thirteen arrested in \$1.3 million cocaine and marijuana trafficking operation  
... page 3



At left, Frank Sampa and Frank Noonan of the state Attorney General's Office watch as Attorney General Mike Fisher announces arrests Thursday.

that Ciancutti allegedly ran a sophisticated gambling organization in Allegheny and Fayette counties, which was involved in sports betting, a numbers racket, video poker and insurance fraud.

Ciancutti and the 15 other individuals were charged with participating in a multi-county sports bookmaking operation, insurance fraud, money laundering, video poker machines, and corrupt organizations. If convicted on all charges, Ciancutti faces a maximum of 70 years in prison and \$70,000 in fines, while the others face anywhere from 10 to 75 years in prison and from \$20,000 to \$65,000 in fines.

### Centre County Cocaine Ring

On April 30, 1999, Attorney General Mike Fisher announced the arrest of Andrew Bekes of Port Matilda, Centre County, on drug charges. Bekes, 49, a student at Penn State University, allegedly distributed as much as a pound of cocaine, with a street value of between \$350,000 and \$500,000 in the Centre County region.

In January 2000, agents of Attorney General Fisher's Bureau of Narcotics Investigation (BNI) and members of the Centre County Drug Task Force arrested 23 cocaine dealers. The arrests were the second phase of the investigation that lead to the arrest of Bekes.

### Bucks/Philadelphia Cocaine Ring

On October 10, 2000, Attorney General Fisher, along with the Bucks County District Attorney Diane E. Gibbons announced the arrests of six cocaine dealers who allegedly were responsible for a \$2.3 million cocaine trafficking ring in Bucks and Philadelphia counties.

The investigation centered on cocaine trafficking in Bucks and Philadelphia counties and the alleged drug dealers racketeering activities associated with the now-closed Club Diamonds night club in Bristol Township, Bucks County. The investigation revealed that the alleged ring leader, Steven Magnisalis of Philadelphia, and his father, Panagiotis "Pat" Magnisalis, also of Philadelphia, allegedly used profits from their drug proceeds to finance the opening of Club Diamonds. The Magnisalises recruited the other members of their drug operation to become investors in the night club.

Steven Magnisalis and five others were charged with Corrupt Organizations and drug counts. If convicted on all charges, Steven



Magnisalis faces up to 96 years in prison and \$500,000 in fines. The other individuals face anywhere between 42 and 95 years in prison and fines of between \$275,000 and \$450,000.

### Blair County Heroin Ring

In August 1999, Attorney General Fisher, along with the Blair County District Attorney, announced the arrests of 10 heroin dealers operating in the Altoona area.

Efrain Hidalgo Jr., of Buffalo, New York, the ring leader, imported the heroin into the Altoona area from Buffalo. Hidalgo's organization made trips to Buffalo every three to five days and obtained between one and two ounces of heroin. The street value of the heroin that Hidalgo's organization sold was between \$320,000 to \$800,000.

On September 26, 2000, Hidalgo was sentenced to 60 to 150 years in prison, which at the time, was believed to be the longest in state history for a convicted drug dealer.



# Drug Education & PREVENTION

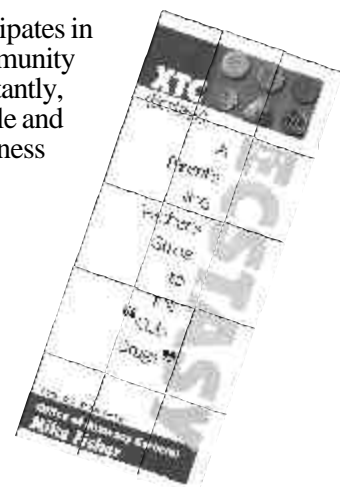
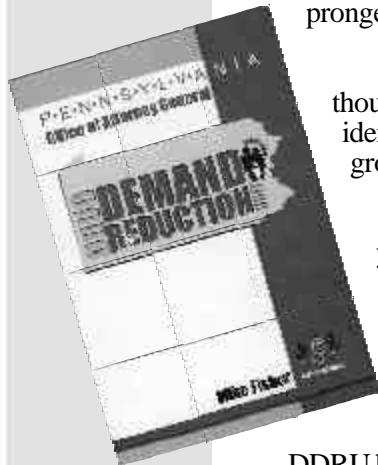
## DRUG DEMAND REDUCTION UNIT

Since his first day on the job, Attorney General Mike Fisher has made halting the rising tide of drug use his number one priority. And while Fisher's law enforcement efforts have put drug dealers behind bars, the Attorney General has consistently stressed a two-pronged approach that not only targets the supply, but also reduces the demand for drugs.

Attorney General Fisher's Drug Demand Reduction Unit (DDRU) reaches out to thousands of people across the Commonwealth each year providing drug awareness, identification and educational speeches and seminars to school students, community groups, teachers, parents and professionals.

In 1999 alone, DDRU agents gave 45 school presentations for almost 3,000 youngsters in grades K through 12, as well as more than 40 presentations for medical and law enforcement personnel, college students, parents, teachers and senior groups.

In addition to its presentations, DDRU also participates in anti-drug rallies, marches, National Night Out community activities, unity days and public forums. More importantly, DDRU has established and currently maintains a strong, visible and active presence with community groups, school districts, business organizations, senior groups and law enforcement agencies.



## COMMUNITY DRUG ABUSE PREVENTION GRANT PROGRAM

Attorney General Fisher's Community Drug Abuse Prevention Grant Program assists parent and community organizations in their efforts to prevent drug and alcohol abuse in Pennsylvania and promotes adherence to the Commonwealth's drug and alcohol laws.

Since 1999, Attorney General Fisher's office has allocated over \$40,000 to various grassroots volunteer organizations and other community groups who offer youth a drug-free environment. The money for the Community Drug Abuse Prevention Grant Program was obtained from the seized assets of convicted drug dealers. This program is designed to not only fund anti-drug efforts, but also bring credit for outstanding efforts in the area of drug education.



## THE ANNUAL CALENDAR AND POSTER CONTESTS

Fifth graders from across the Commonwealth again had the opportunity to participate in Attorney General Fisher's "Team Up Against Drugs" Calendar and Poster contest in 1999 and 2000. Students were asked to submit an anti-drug poster using Fisher's theme of "Team Up Against Drugs." The schools ran their own contests during Red Ribbon Week and entered their two top vote-getters in the statewide competition.

In 1999 and 2000, more than 400 and 520 schools, respectively, participated in the contests. Thirteen drawings were selected each year and made into a calendar, giving the grand prize winner the honor of having their artwork on the calendar cover. Each winner received a U.S. Savings Bond and was honored at a luncheon in December. In 1999, Attorney General Fisher decided to honor the cover winners by having a billboard featuring their winning entry erected near their school. Twelve honorable mentions were also chosen both in 1999 and 2000, with their artwork featured on an anti-drug poster.



Attorney General Mike Fisher and students displaying their winning designs

during a Red Ribbon Week kickoff rally on October 24, 2000. More than 1,700 Pennsylvania fifth graders packed the Forum building in Harrisburg to watch a dynamic, interactive presentation known as "Team Up Against Drugs", developed by the Office of Attorney General. Members of the Harrisburg Heat soccer team, the Cumberland Valley Varsity Cheerleaders, and Fisher's Drug Demand Reduction Unit encouraged the children to maintain a drug-free lifestyle. Fisher's Bureau of Narcotics K-9 Unit joined in, and the children were fascinated as the dogs tore apart an old couch in which drugs had been hidden for the presentation.

The Red Ribbon Campaign was organized in memory of the brutal murder of Federal Agent Enrique "Kiki" Camarena by drug traffickers in February 1985. Since then, the last week of October has been designated as Red Ribbon Week.

## Red Ribbon Week

Attorney General Fisher turned up the volume on his "Team Up Against Drugs" campaign



Attorney General Mike Fisher and students participating in the Red Ribbon kickoff

## "Team Up Against Drugs" Power Point Presentation

This interactive, multi-media presentation geared to children in third through fifth grades got a new look in 1999 and 2000. New videos that stress how to say "no" to drugs, as well as why children should say "no," and an interactive word game were added to the program. Attorney General Fisher and his Drug Demand Reduction Unit have taken the latest program to elementary schools across the Commonwealth. Parents, teachers and students can also log onto [www.attorneygeneral.gov](http://www.attorneygeneral.gov) and view the presentation at home or in the classroom.



# Working to make OUR SCHOOLS SAFE

## TAKING ON VIOLENCE



Pennsylvania has not been spared the wave of violence that has plagued our schools in the past few years. Even before the killings at Columbine High School in Colorado in 1999, a Pennsylvania middle school student shot and killed a teacher in Edinboro. Attorney General Mike Fisher made it a priority to help schools and law enforcement agencies find answers to prevent school violence in our state.

### A Unified Approach

Shortly after the Columbine massacre, Attorney General Fisher moderated a panel discussion on school violence as part of a nationwide summit sponsored by the National Association of Attorneys General (NAAG) in Jackson, Mississippi. Following the nationwide summit, Attorney General Fisher formed the Task Force on School Safety. Members of the Task Force include key stakeholders in public and private education, along with leaders in law enforcement, the judiciary and the community.

The first goal was to convene the first-ever **Summit on School Safety** in Pennsylvania, held on September 24-25 in Lancaster, Pennsylvania. The 1999 summit brought together national experts and more than 300 delegates from 71 school districts in Pennsylvania. The school officials returned home with action plans that they presented to their districts in an effort to prevent violence in their schools.



Attorney General Mike Fisher and the Honorable Leo Sereni present Kathleen Long with award for her winning essay on preventing school violence



The Task Force presented its statewide recommendations to address school violence during a series of public hearings held across the state. The final **School Safety Action Plan** was unveiled at Attorney General Mike Fisher's second Summit on School Safety, held September 15, 2000. More than 500 teachers, school administrators, parents and students from over 100 school districts across the Commonwealth gathered at the Harrisburg Hilton & Towers for the two-day summit. From improving school discipline to addressing crisis response, delegates were able to discuss the issues with experts.

Attorney General Mike Fisher unveils the School Safety Action Plan

## ProjectPEACE

Attorney General Mike Fisher teamed with the Pennsylvania Bar Association to bring ProjectPEACE to Pennsylvania. Developed by Temple University's Beasley School of Law, ProjectPEACE (Peaceful Endings through Attorneys, Children and Educators) seeks to teach students how to discuss and mediate disagreements peacefully. In 1999 and 2000, more than two dozen school districts came to Harrisburg to learn about the program. After two days of training, the teams wrote their own mediation plans, which were introduced to their local schools. Each school selects and trains its own student mediators, who assist their peers in resolving disputes peacefully. Law school students will work with the schools throughout the implementation process. After the first ProjectPEACE conference in 2000, Fisher was able to report that violence was down in those schools that participated in the program.



Attorney General Mike Fisher and students working to prevent violence in Pennsylvania schools through ProjectPEACE.



# Family Violence TASK FORCE

For most Pennsylvanians, the word “home” is used to represent all that is good about our culture. It represents love and family, warmth and safety - it is sanctuary . . . a haven from violence. But for the victims of domestic abuse, home is a prison. To these people home represents anxiety, fear, pain and terror.

## October 4, 1999

After months of researching, surveying and analyzing the problem of family violence in the state of Pennsylvania, the Attorney General’s Family Violence Task Force held a rally on the Capitol Rotunda steps to unveil their finished product.

“I am pleased and excited to present this Final Action Plan,” Fisher said to a packed hall of task force members and volunteers. “It is our blueprint for how Pennsylvania communities can develop a coordinated, community-based response to family violence.”



Attorney General Fisher unveils report on Family Violence in conjunction with National Domestic Violence Awareness Month

The rally was a culmination of 16 months of hard work examining a social problem that, despite its startling statistics, still is sometimes passed off as an “internal family matter.”

Each year more than 1,000 women - almost three per day - die as a result of violence at the hands of a husband, boyfriend or partner. Half of the men who abuse their female partners also abuse their children. More than three million children in the United States are at risk of witnessing one or both parents physically abusing the other.

Violence within the home is a problem that has afflicted families for ages. It is perpetrated by men and women, husbands and wives, rich and poor and members of every race and religion.

“When parents or other intimate partners physically or mentally abuse one another it has disastrous effects on the family.” Attorney General Mike Fisher said at the rally “Family Violence shatters the sacred bond of trust and love that ties two people, and their family, together. Once that trust is violated, the whole family suffers, and the victim and their children are often emotionally scarred for life.”

Historically, the only intervention into a family experiencing violence occurred when law enforcement was called. Once the abuse rose to that level, however, it was frequently too late. Most severe domestic assaults or homicides do not come as a surprise to the friends, neighbors, co-workers and others who know the victim or the abuser. In most cases, there are signs that something is wrong. But the warning signs are often ignored because people believe the situation to be hopeless, that there is nothing they can do or that what happens behind closed doors should stay there.

In the Attorney General's Final Action Plan, a much more comprehensive approach to family violence is proposed.

"We have come to recognize that an individual approach to understanding violence and victimization is futile," said Dr. Sandra Bloom, Chairperson of the Task Force and an author and noted expert on the traumatic effects of violence. "Only if we address family violence as a shared social problem of enormous importance can we hope to improve our mental, physical, social and economic health."

As the top law enforcement officer in the Commonwealth, Attorney General Fisher wholeheartedly agrees.

"Law enforcement must continue to vigorously arrest and prosecute the abuser," he said. "But law enforcement and the government cannot fight this problem alone. The community - the individuals who live, work, and associate with the victim, the abuser and their children - can and must play an important part. That is why I formed this Task Force - to develop a coordinated, community-based response to family violence."

The Attorney General called together leaders from each major institution within the community: Employers, Health Care, Law Enforcement and the Judiciary, Neighborhood Groups and Associations, Religious Institutions and Schools and Early Childhood Development Programs. After dividing into six separate working groups, one for each institution, the groups then spent the next 16 months researching, surveying, and analyzing their respective institutions.

Each group wrote a comprehensive report detailing how its institution is currently addressing family violence, and then drafted recommendations on how it could do so more effectively. Each working group then held a public hearing in which testimony was taken from lay persons and experts alike on how to improve the draft recommendations. After the public hearings, the recommendations were finalized, which include, among others:

- Amending the Protection from Abuse Act to allow for a protection order to be entered for a period of up to three years.
- Including education on family violence as a requirement for accreditation of health care facilities and the licensing and review of behavioral health and substance abuse programs.
- Adopting the National Incident-Based Reporting System (NIBRS) and include the reporting of the relationship between the victim and the perpetrator.
- Including Family Violence as part of pre-marital counseling.
- Adding education on family violence to all in-service training for educators.
- Modifying employer leave and attendance policies to accommodate the needs of victims of family violence.



All these and much more are included in the Final Action Plan, a document that the Task Force hopes will bring activism on this issue to a new level.

"The Attorney General's report provides valuable direction and information for communities to use in their response to family violence," said Susan Kelly-Dreiss, Executive Director of the PA Coalition Against Domestic Violence and Chair of the Task Force's Neighborhood Groups and Association's Working Group. "While past efforts have been highly successful in bringing the issue of family violence to the attention of the public, now is the time to mobilize our communities into action."

## May 10, 2000

In response to recommendations made by Attorney General Mike Fisher's Family Violence Task Force, the Pennsylvania General Assembly amended the Domestic Relations Code to extend the duration of protection from abuse orders. Act 10 of 2000 allows protection orders to extend up to 18 months. Research indicates that a relatively large number of offenders recidivate between the seventh and twelfth months of a one-year protection order. Providing for a longer period of relief will enhance protection for victims at a dangerous time in the course of an abusive relationship. This legislation was sponsored by Representative Pat Browne (Lehigh) and supported by Attorney General Fisher.



PENNSYLVANIA Attorney General Mike Fisher (center) leads a group of representatives of domestic violence victims in Harrisburg on Tuesday.

# Domestic Violence

*Task Force Says Community Involvement Needed to Curb Growing Problem in Pennsylvania*

By Peter Jackson  
Associated Press Writer

HARRISBURG — Hospitals, churches and schools can and should do more to combat domestic violence in Pennsylvania, a task force appointed by Attorney General Mike Fisher said Tuesday.

The panel, which spent 15 months discussing ways to stimulate community involvement in attacking what many people still consider a family problem, proposed a combination of training, counseling and tougher laws to better what is already in place. Each of a half-dozen working groups offered separate proposals for different segments of the community.

"Together, these reports portray a society in crisis, a society that has not yet come to grips with the legal and sometimes drastic actions needed to protect safe and some common values in which children, young and old, can flourish and reach their potential," said Dr. Sandra Bloom, a psychologist at the University of Pittsburgh who chaired the task force.

Domestic violence and a network of services designed to protect battered women, at least 100,000 annually — an average of one every three days — were killed in 1999 because of violence between couples, according to the Pennsylvania Coalition Against Domestic Violence. That number excludes children who died as a result of child abuse by a parent or guardian.

Fisher said he looked to the more than 150 task-force members to be "the catalyst" for implementing most of their proposals, and pledged to see them through within his power to implement and to seek legislative approval for others.

"Law enforcement and the government cannot fight this problem alone," said Fisher, who was flanked by about 50 people at a Capitol news conference. "The community — individuals who live, work, associate with the victim, the abuser and their families — must also play an important part."

Among the panel's proposals:

- Judges should be allowed to issue protection-from-abuse orders that remain in effect for three years, instead of the current one-year limit.
- Employers should train their employees about the warning signs of domestic violence and make judgments about victim services readily available to employees. Employers should modify their leave and attendance policies to accommodate victims of domestic violence, and encourage employees to seek management if they have been granted a protection-from-abuse order from their spouse or partner.
- The state should offer tax incentives to help small employers establish and maintain family violence policies and programs.
- Domestic-violence prevention should be a required part of the curriculum of all medical, nursing and other health-related schools, as well as a condition of professional license renewal for health providers.
- Hospitals should be required to routinely screen all adult patients for signs of domestic violence, and training screening should be required for all mental health and substance abuse centers.
- The attorney general's office should support recommendations to the state's Unified Judicial System Act to bar lawyers from discriminating against victims of domestic violence.
- Members of the clergy should be trained on how and when to make referrals to families confronting domestic violence.
- Future leaders of Pennsylvania should be required to take courses on domestic abuse prevention, and all school staff should be trained about family violence and its effect on children.



The Public Protection Division contains the Bureau of Consumer Protection, the Civil Rights Enforcement Section, the Charitable Trusts and Organizations Section and the Antitrust Section.

Among its many responsibilities, the Division works to uphold the rights of consumers in business and service transactions and to protect the civil rights of citizens. The Public Protection Division also keeps watch over charitable solicitations and estates and suspected violations of federal antitrust laws.



Attorney General Mike Fisher and Ann Spagnolo of AARP present Consumer Service Award to Mary Bach of Westmoreland County





## BUREAU OF CONSUMER PROTECTION

Attorney General Mike Fisher's Bureau of Consumer Protection (BCP) receives nearly 30,000 written complaints from consumers each year. BCP actively investigates suspected illegal conduct based upon a pattern of fraudulent or deceptive conduct discovered through multiple consumer complaints. Investigations can be initiated on a statewide basis, with other states and with federal agencies. Undercover operations are also a key investigative tool of the Bureau.



Attorney General Mike Fisher demonstrates some of the hundreds of unsafe recalled products found in a statewide safety sweep of thrift stores and consignment shops

Realizing the increasing role that the Internet plays in many peoples' lives, Attorney General Fisher has one of the leading Internet investigating operations in the nation. BCP agents and attorneys patrol the Internet in search of business scams, fraudulent health claims by advertisers, investment schemes and other cyberspace activity that may violate consumer protection laws.

Attorney General Fisher has worked closely with other Attorneys General to halt fraudulent practices that cross state lines. During his four years as Attorney General, Mike Fisher has joined other Attorneys General in numerous lawsuits that have forced companies to halt unfair consumer practices.

Attorney General Fisher has also created a statewide Mediation Unit in an attempt to resolve consumer complaints before court action is needed. The Mediation Unit, staffed with student and senior citizen volunteers, tries to mediate resolutions between consumers and companies, freeing BCP agents and attorneys to more pro-actively investigate cases that show a pattern of misconduct. The Unit was created and operates without the appropriation of any additional public funds.

### SIGNIFICANT CASES

#### Keystone Health Plan Central Inc.

In February 2000, Attorney General Mike Fisher announced a settlement with Keystone Health Plan Central of Camp Hill over allegations of misrepresentation pertaining to monthly premiums and annual prescription drug benefits.

In the fall of 1997, Keystone continued a marketing campaign during open enrollment in which it offered the Senior Blue plan. Despite this marketing campaign, the company changed its HMO plan effective January 1, 1998, which resulted in increased premiums and reduced or eliminated prescription drug coverage.

Keystone paid \$485,130 in restitution to 3,253 consumers in eight counties who joined the plan between August 1, 1997 and November 30, 1997 and whose premiums were raised and / or reduced on January 1, 1998. Keystone also paid \$114,870 to the Commonwealth of Pennsylvania for the costs of the investigation.

### TOP 20 COMPLAINT CATEGORIES FOR 2000

- 1- Credit **3646**
- 2- Motor Vehicle Sales **3365**
- 3- Buying Services **2398**
- 4- Telemarketing **2206**
- 5- Home Improvement Contractors **2040**
- 6- Telecommunications **1811**
- 7- Motor Vehicle Repairs **1801**
- 8- Business Machines **1707**
- 9- Travel **984**
- 10- Home Purchase **942**
- 11- Books And Magazines **851**
- 12- Health Service/Aids **827**
- 13- Home Furnishing **792**
- 14- Energy **727**
- 15- Business & Investment/Seminars **673**
- 16- Apartments **575**
- 17- Electronics (Audio/Video) **540**
- 18- Animals **295**
- 19- Appliances **287**
- 20- Self Improvement **282**



## Columbia Energy Services

In June 2000, Attorney General Mike Fisher announced that a Petition for Sanctions and a settlement were filed against Columbia Energy Services of Herndon, Virginia. The petition required the company to pay nearly \$300,000 in consumer restitution, civil penalties and investigation costs.

As a result of the settlement, more than 5,000 Southeastern Pennsylvania consumers received a rebate. Those rebates were sent to consumers who enrolled in Columbia Energy's electric service program, which allegedly offered consumers a savings of 15 percent on their total electric bill but failed to deliver the savings.

## Lycoming County Dog Breeder

The first lawsuit to enforce the provisions of Pennsylvania's "Puppy Lemon Law" was filed by Attorney General Fisher in July 2000 against Oakridge Kennels of Williamsport.

The suit was filed against the owners of Oakridge Kennels, Keith and Dee Ann Chambers, for selling almost two dozen puppies that were sick, diseased, and falsely characterized as purebreds. The lawsuit alleged that a general disregard by the defendants for the provisions of the "Puppy Lemon Law" and asked the court for \$21,000 in consumer restitution and more than \$80,000 in penalties and costs.



Attorney General Mike Fisher gets a "thanks" from a furry friend for upholding the state's "Puppy Lemon Law"

TOP 20 COMPLAINT CATEGORIES FOR 1999		
1-	Motor Vehicle Sales	3374
2-	Credit	3283
3-	Telemarketing	1931
4-	Home Improvement Contractors	1825
5-	Motor Vehicle Repairs	1785
6-	Telecommunications	1778
7-	Buying Services	1769
8-	Travel	980
9-	Business Machines	881
10-	Health Service/Aids	810
11-	Home Purchases	791
12-	Books & Magazines	778
13-	Energy	629
14-	Apartments	583
15-	Business & Investment/Seminars	558
16-	Self Improvement	532
17-	Home Furnishings	571
18-	Electronics (Audio/Video)	478
19-	Appliances	434
20-	Cameras & Photography	423

## Agreements Reached with Two Florida Travel Companies & Robin Leach

In 1999, Pennsylvania and eight other states sued two Florida travel companies and spokesman Robin Leach of television's "Life Styles of the Rich and Famous" for allegedly leading numerous consumers to believe that they had won the vacation package of their dreams.

Attorney General Fisher filed the suit against two Florida-based companies, National Travel Services and Plaza Resorts, the owners of the travel companies and celebrity pitchman, Robin Leach, doing business as Leach Entertainment Enterprises for engaging in solicitations that were in violation of Pennsylvania's Consumer Protection Law and Telemarketer Registration Act.

Investigators found that numerous Pennsylvania consumers were led to believe from Leach's advertisements that they were selected to receive a tropical cruise vacation with first-class accommodations. In reality, the vacation package was far from luxurious and it required consumer to pay hundreds of dollars in hidden fees.

In February 2000, a Consent Decree and Judgment was entered into with National Travel Services and Plaza Resorts providing for injunctive relief, consumer restitution and \$35,000 in attorneys' fees and costs. In June 2000, a Consent Decree was entered into with Robin Leach and Leach Entertainment Enterprises, Inc. providing for \$4,000 in costs and extensive injunctive relief.

### **Internet Pharmacies Sweep**

On May 3, 2000, Attorney General Fisher filed three separate lawsuits against online companies, pharmacies and doctors for allegedly selling the prescription drugs Viagra, Propecia and Xenical over the Internet without proper licensing from the Commonwealth.

Pennsylvania law requires that prescription drugs be dispensed to Pennsylvania consumers only by a state licensed pharmacist or medical practitioner. A pharmacy must obtain a permit before operating or advertising in the Commonwealth and a physician must be licensed in Pennsylvania to practice medicine in the Commonwealth.

### **TOP 20 COMPLAINT CATEGORIES FOR SENIORS IN 2000**

- 1- Home Improvement Contractors **429**
- 2- Credit **387**
- 3- Buying Services **286**
- 4- Telemarketing **277**
- 5- Motor Vehicle Sales **222**
- 6- Telecommunications **203**
- 7- Books And Magazines **162**
- 8- Health Service/Aids **149**
- 9- Travel **144**
- 10- Motor Vehicle Repairs **133**
- 11- Energy **117**
- 12- Home Furnishing **77**
- 13- Electronics (Audio/Video) **70**
- 14- Business Machines **67**
- 15- Home Purchase **65**
- 16- Business & Investment/Seminars **54**
- 17- Appliances **50**
- 18- Glass Products **47**
- 19- Funeral **45**
- 20- Lawn & Garden Services **45**

### **TOP 20 COMPLAINT CATEGORIES FOR SENIORS IN 1999**

- 1- Home Improvement Contractors **288**
- 2- Telemarketing **201**
- 3- Credit **192**
- 4- Motor Vehicle Sales **185**
- 5- Buying Services **166**
- 6- Motor Vehicle Repairs **144**
- 7- Telecommunications **133**
- 8- Travel **102**
- 9- Energy **100**
- 10- Health Service/Aids **96**
- 11- Books And Magazines **67**
- 12- Appliances **52**
- 13- Mobile Homes & Trailers **50**
- 14- Home Furnishing **49**
- 15- Home Purchase **41**
- 16- Electronics (Audio/Video) **41**
- 17- Business Machines **38**
- 18- Apartments **34**
- 19- Lawn & Garden Services **31**
- 20- Business Investment/Seminars **28**

During investigations in December 1999 and January 2000, agents in Attorney General Fisher's Bureau of Consumer Protection found that the prescription drugs, which have potentially fatal side effects, were being mailed to consumers with no verification of the buyer's age, physical condition or medical history.

### **\$2.4 Million Judgment Against Canadian Telemarketer**

In May 1999, U.S. District Court Chief Judge Sylvia H. Rambo of the Middle District of Pennsylvania ordered the British Columbia-based Systems 3 Marketing, Inc. and officials Sushila Devi Kumar and Sanhya Murthi to pay \$1.75 million in consumer restitution, \$600,000 in civil penalties and nearly \$30,000 for the costs of the investigation.

More than 1,950 consumers throughout the United States were rewarded refunds, including 131 in Pennsylvania. The Canadian Telemarketers conned U.S. consumers into purchasing bogus lottery chances, claiming that the odds of winning a large tax-free cash prize were great.

In addition to the financial provisions, the

federal court order prohibits the defendants from engaging in any form of telemarketing, trade or commerce in Pennsylvania and it prohibits the defendants from promoting, offering for sale or participating in the sale of tickets or chances for any lottery to U.S. residents.

## Publishers Clearing House

On January 24, 2000, Attorney General Fisher filed a lawsuit against Publishers Clearing House accusing the national marketing company of intentionally deceiving thousands of Pennsylvanians with sweepstakes offers that falsely led consumers to believe they won or were close to winning a large cash prize.

According to the suit, Publishers Clearing House (PCH) of Port Washington, New York, violated Pennsylvania's Unfair Trade Practices and Consumer Protection Law. PCH sends millions of consumers a variety of sweepstakes in the mail to promote the sale of magazines and other items. Additional sweepstakes are typically sent to consumers who buy the items. Consumers were falsely referred to as "Guaranteed Cash Winners" or "Certified Cash Winners" and would be looked upon more favorably if they made a purchase.

The lawsuit asks the court to order Publishers Clearing House to pay full restitution to consumers, halt the promotion of sweepstakes that violate Pennsylvania Consumer Protection Law, pay the costs of the investigation and pay civil penalties for each violation. Under the terms of the suit, PCH would also forfeit its right to do business in Pennsylvania until it paid the restitution, civil penalties and investigation costs.

## Pa. attorney general sues Publishers Clearing House

HARRISBURG (AP) — Doris Clover said the sweepstakes announcements that arrived regularly from Publishers Clearing House were convincing enough that she bought magazines and other items in the mistaken belief that it would increase her chances to win.

"They were so positive that I had won, they would have fooled a Philadelphia lawyer," said Clover, 41, from her home in Erie. "Anybody would have believed that they were in the running for lots of money."

With complaints from residents like Clover in Erie, Pa., Pennsylvania and 15 other states filed suit Monday against Publishers Clearing House, the sweepstakes promoter based in Port Washington, N.Y., known for surprising winners on Super Bowl Sunday.

Attorney General Mike Fisher accused the company of intentionally deceiving consumers by sending out offers that said they were close to winning large cash prizes. "The company's alleged illegal business practices shamelessly prey on older Pennsylvanians who

"They were so positive that I had won, they would have fooled a Philadelphia lawyer"

Doris Clover  
sweepstakes participant

spent a lot of money on magazines and other items — convinced that the Prize Patrol is about to deliver thousands of dollars to their door," Fisher said in a statement.

The suit filed in Commonwealth Court in Harrisburg asks that the company pay restitution to customers, stop promotions that break state law and pay civil penalties and costs.

A spokesman said Publishers Clearing House, based in Port Washington, N.Y., was "disappointed" by the lawsuit, particularly because the company and rivals recently submitted a pro-

posed settlement with states that would have helped set new standards for the industry.

The lawsuit and its counterparts in other states coincided with a hearing scheduled for Tuesday in East St. Louis, Ill., concerning a proposed settlement of a class-action lawsuit against sweepstakes promoters, said Christopher L. Irving, the company's director of consumer affairs. One of the lawyers who filed that suit, Steven A. Katz, expected consumers to collect between \$14 million and \$18 million in that case. The deadline for filing a claim was Nov. 5.

Of the company's 31 millionaire winners, 28 did not write magazines with their winning entries, Irving said.

Pennsylvania and 31 states reached a \$1.3 billion settlement two years ago in a similar suit filed against American Family Publishers.

Also suing Monday were Colorado, Minnesota, North Carolina, New Jersey, New York, Illinois, Ohio, New Mexico, Oklahoma, Oregon, Vermont, West Virginia, Louisiana, Georgia and

## BUREAU OF CONSUMER PROTECTION 1996-2000 SUMMARY STATISTICS

	1996	1997	1998	1999	2000	TOTALS
Telephone Inquires	218,164	230,123	197,843	201,252	166,104	1,013,486
Files Opened	30,512	28,963	28,171	28,593	31,421	147,660
Files Closed	29,443	29,454	28,425	27,771	31,512	146,605
Actions Filed	260	165	142	168	•171	906
Actions Completed	164	125	104	85	155	633
Subpoenas Issued	705	595	834	713	870	3,717
Penalties Assessed	\$130,486	\$318,383	\$189,650	\$223,550	\$1,545,704	\$2,407,773
Penalties Collected	\$152,049	\$142,338	\$150,584	\$195,828	\$172,598	\$813,397
Costs Assessed	\$424,281	\$1,164,279	\$1,453,231	\$880,784	\$1,201,626	\$5,124,201
Costs Collected	\$598,619	\$1,323,759	\$1,235,348	\$1,152,520	\$1,418,646	\$5,728,892
Monies Saved	\$6,118,995	\$6,657,053	\$5,441,363	\$7,190,746	\$10,023,546	\$35,431,703
Appearances	593	662	474	503	*662	2,894

•Includes certain miscellaneous filings which have not been counted in subsequent years such as subpoena enforcements.

\*Includes multi-day events which are counted as one appearance such as county fairs.

## Task Force for the Protection of Older Pennsylvanians Report Released

*“I’m confident that the report of this task force will become a blueprint for action to protect older Pennsylvanians from the con-artists, thieves and criminals who defraud or hurt the elderly.”*  
- Attorney General Mike Fisher

On July 26, 2000, Attorney General Mike Fisher unveiled the final report of his Task Force for the Protection of Older Pennsylvanians, which identifies the chief health, safety and consumer problems facing older Pennsylvanians and recommends various social, educational and legislative reforms to combat those problems. “I’m confident that the report of this task force will become a blueprint for action to protect older Pennsylvanians from the con-artists, thieves and criminals who defraud or hurt the elderly,” Fisher said in announcing the report. He further noted that Pennsylvania has the second highest percentage of citizens over the age of 65 in the nation and that percentage is rising. The population of Pennsylvanians over the age of 75 is increasing at an even faster rate. By the end of this year, nearly 1,000,000 state residents will be over the age of 75.

The 135-member task force, comprised of older citizens, law enforcement officials, educators, consumer advocates, and business professionals was created in September 1998 in six regional groups. Each group held meetings over an 18-month period to research and share information on key problems facing senior citizens. Public hearings were held in each region where testimony was gathered on areas of concern including: senior health care; home improvement scams; elder abuse; financial exploitation; telemarketing fraud and sweepstake scams. Some of the recommendations made by the task force include:

- Develop Official Directory of Toll-Free Numbers called the “Red Pages” to centralize the telephone numbers frequently used by senior citizens. The directory will include emergency, government agency and toll-free numbers older Pennsylvanians can access for a variety of services.
- Support passage of a Home Improvement Consumer Protection Law that would create a statewide registration of home improvement contractors, a toll-free telephone number to obtain outstanding judgment information, enhanced criminal penalties for home improvement fraud, a guarantee fund to reimburse consumers for uncollectible losses, and,
- Create a “Do Not Call” list requiring telemarketers to remove from their data bases those consumers who do not wish to be contacted. Provide substantial penalties for telemarketers who violate the “Do Not Call” provision.

Fisher urged a speedy adoption of the task force recommendations. “Older Pennsylvanians should not live in fear of being harmed or swindled,” Fisher said. “My goal is to alert residents of potential dangers and to prosecute those who abuse and defraud the elderly.”



Attorney General Fisher meets with seniors to discuss how they can protect themselves from fraud



**Fisher looks to protect elderly**



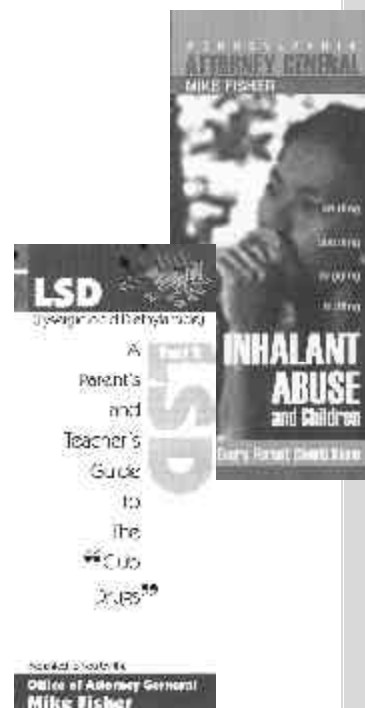


## Consumer Education

From helping seniors hang up on fraudulent telemarketers to teaching teens how to stay out of debt, 1999 and 2000 saw the development of educational materials that struck a cord with Pennsylvanians. Several, such as **Cybersafety for Kids** and **Protect Yourself From Identity Theft**, addressed issues that were unimaginable just a few short years ago. Others, including **LoanSmarts: What Every Borrower Should Know** and **Telemarketing Fraud** quickly became useful tools requested by banks, senior centers and community organizations to help educate young and old alike. Attorney General Mike Fisher joined with the Pennsylvania Bankers Association to help the Telemarketing Fraud brochure assist bank employees in recognizing when the elderly are being victimized by scam artists.



Keeping on top of the latest developments in consumer protection, drug prevention awareness and other important issues, the Public Education and Information Unit seeks to educate Pennsylvanians through the development of educational programs, brochures and other materials.



## LifeSmarts

Helping teens become smart consumers is the point of LifeSmarts, a national competition that rewards students in grades nine through 12 for making good consumer choices. Through Attorney General Mike Fisher's Public Education and Information Unit, Pennsylvania teens compete on a statewide level and have the opportunity to advance to the national level. In 2000, a new high-tech dimension was added to the program. Now using the Internet to search for consumer issues and solve

consumer problems, teenagers learn to understand and avoid debt, detect consumer fraud and understand consumer rights. These are lessons that will serve them a lifetime. In 1999, four teams made it to the state finals. In 2000, nine teams advanced to the state level. A team from North East High School in Erie won the state championship both of those years, going on to compete in Nationals.



1999-2000 State Champions LifeSmarts team from North East High School in North East, PA



1998-1999 State Champions: North East High School in North East, PA





## Health Care Unit

On February 15, 2000, Attorney General Mike Fisher unveiled his new Health Care Unit, a division of the Bureau of Consumer Protection that is designed to help consumers deal with the complex and ever-changing health care system. One of the first of its kind in the nation, the Health Care Unit saved Pennsylvanians more than \$1 million in its first year of operation and successfully secured treatment for consumers in hundreds of cases.

The Health Care Unit has been a lifeline for many Pennsylvanians frustrated by the red tape that results from denial of coverage, refusal of payment or delayed payment by insurers. Staffed by two attorneys and three investigators who focus exclusively on consumer health care issues, the unit investigates, mediates and, when appropriate, litigates various types of complaints, including quality of care issues, coverage/payment denial and deceptive or fraudulent practices.

Pennsylvania consumers can also contact the unit, toll-free, for coverage explanations. Using the online complaint form, consumers have the opportunity to file a grievance about their insurance provider. The Health Care Unit works closely with state agencies like the Department of Public Welfare and Insurance Department, which have the authority to regulate insurers and providers. Additionally, the unit works with legislators to help shape policy that will ultimately benefit the people of the Commonwealth.

Pennsylvanians who have benefited from the unit include a consumer who was denied coverage for a procedure the patient's provider thought was experimental. After the Health Care Unit intervened, the decision was reversed, saving the patient \$110,000. In another instance, a health care company refused to cover a customer's treatment because it incorrectly ruled the illness a pre-existing condition. The Health Care Unit was able to correct the situation, saving the consumer \$28,000.



## Attorney General Mike Fisher talks with seniors about the new Heath Care Unit



# ANTITRUST

Enforcing federal antitrust laws and the Pennsylvania Anti Bid-rigging Act as provided in the Commonwealth Attorneys Act, Attorney General Mike Fisher's Antitrust Section is charged with protecting competition from unreasonable restraints of trade. These include price fixing, dividing markets or territories, monopolies that are acquired or maintained by unlawful (predatory) means and mergers that may substantially lessen competition or tend to create a monopoly.

Attorney General Fisher reviewed a number of mergers and potential associations in the past two years. The health care industry, for example, has experienced an increased number of hospital mergers. The Antitrust Section reviews these mergers to ensure that competition remains in the health care marketplace and that health services are available to as many Pennsylvanians as possible.



service to rural areas, as well as, offer CLASS services, including call waiting, call forwarding and caller ID to many customers in rural areas.

## Nine West Settlement

On March 6, 2000, Attorney General Fisher announced that a \$30.5 million national settlement had been reached with New York shoe manufacturer Nine West Group, Inc.

The lawsuit, which involved all 50 states, the District of Columbia and the U.S. territories, claimed that Nine West entered into agreements with shoe retailers to fix the retail price of women's shoes. Nine West's illegal price-fixing included occasions when the manufacturer distributed lists of shoes that could not be discounted by retailers outside of the time periods dictated by Nine West. In order to enforce these illegal pricing policies, Nine West allegedly granted discounts to cooperating retailers and withheld discounts or threatened to cancel or refuse to take orders from retailers that did not comply.

Because of the illegal pricing agreements, consumers were denied an open and competitive market for certain Nine West shoes and thus paid higher prices for the products.

Under the settlement, Nine West agreed to pay \$30.5 million to the states to be distributed to a variety of women's charitable organizations. Pennsylvania's share was approximately \$1.4 million, which will be distributed to 19 charities in Pennsylvania to be used for women's health, educational, safety and vocational programs.

## SIGNIFICANT CASES

### Bell Atlantic / GTE Merger

In July 1999, Attorney General Mike Fisher's Antitrust Section reached an agreement with Bell Atlantic and GTE. Under the agreement, the local phone companies would cap their rates for four years, make more than \$2.5 billion in capital investments in Pennsylvania and improve services in rural areas.

Attorney General Fisher's agreement with the companies, which became Verizon Communications, addressed concerns over competition in the marketplace, while ensuring that the merger will provide benefits for Pennsylvania's consumers.

Under the agreement, the phone companies agreed to cap their rates for basic local service, spend \$2.5 billion to expand and modernize their networks and enhance access to their phone lines for competitors. In addition, the companies agreed to drop the charge for touch-tone



## United Airlines / US Airways Merger

On May 24, 2000, United Airlines, the largest airline in the United States, announced it was acquiring US Airways, the sixth largest airline. Attorney General Fisher immediately sent letters to officials of United and US Airways, seeking information on the proposed \$4.3 billion merger to ensure that airline competition and jobs in Pennsylvania are preserved.

US Airways is the largest provider of airline service in Pennsylvania, with hubs in Pittsburgh and Philadelphia and service to every commercial airport in Pennsylvania. United also has a significant presence at major airports in Pennsylvania, which raises the question about whether the new company would dominate the market.

Attorney General Fisher's Antitrust Section is investigating the impact of the merger on Pennsylvania consumers, businesses and the economy. The Antitrust Section is also reviewing proposals for preserving US Airways jobs in Pennsylvania.

Along with the US Department of Justice, the Pennsylvania Office of Attorney General is currently leading a 20-state investigation into the merger.

## Ahold / Pathmark Merger

In March 1999, Royal Ahold N.V. (Ahold), the parent company of a number of grocery stores, including Giant of Carlisle, made a cash tender offer to Pathmark, a chain of grocery stores.

Ahold and Pathmark both have grocery stores in close proximity to one another in two counties in the Philadelphia area: Bucks and Delaware counties. The Pennsylvania Office of Attorney General, along with the Offices of Attorney General for New York and New Jersey and the Federal Trade Commission, conducted a joint investigation into this transaction.

Under the cash tender offer, both Ahold and Pathmark could walk away from the deal as of December 15, 1999 without any repercussions. Ahold's Board of Directors voted to exercise this right and terminated its merger agreement with Pathmark.

## Exxon / Mobil Merger

In November 1999, Attorney General Mike Fisher announced that Mobil Corp. agreed to divest its Pennsylvania gas stations. The agreement resolved an action filed by nine other Attorneys General and the Federal Trade Commission (FTC) over antitrust concerns resulting from the merger with Exxon Corp.

Under the terms of one of four regional consent agreements, Mobil had to sell all of its retail assets in Pennsylvania, New Jersey, Delaware, Maryland, Virginia and the District of Columbia to a single, pre-approved buyer, Tosco. In Pennsylvania, 351 Mobil stations were affected by the agreement.

The agreement, by preserving the Mobil brand as an independent competitor in the Commonwealth, allowed Pennsylvania consumers to continue to benefit from competition in the gasoline business. Tosco also had to honor Mobil's supply and lease contracts, which protected small business operators in Pennsylvania.



STATE ATTORNEY GENERAL MIKE FISHER IN WELLSBORO THURSDAY  
with Barbara Provant, LPA, of Wellsboro and Cladi Hampton, of State College

### Attorney General Says He'll Get To Bottom of Gas Price Situation

*In Wellsboro for Senior Citizen Expo*

By Gayle Morrow-Harris  
Scranton Staff

WELLSBORO — Why are gas prices so high, especially in Erie County?

Regarding other kinds of answers, particularly for senior citizens, Fisher said a senior citizens task force which he spearheaded two years ago will have a report and legislative

senior citizens make up 12 percent of the state's population, they represent 35 percent of fraud victims.

Police's Bureau of Consumer Protection also has an

# CHARITABLE TRUSTS & ORGANIZATIONS

Under the Commonwealth Attorneys Act, the Attorney General is authorized to intervene in any transaction involving a charitable bequest, ensuring that charitable donations are used properly. The Charitable Trusts and Organizations Section makes sure that the interests and rights of Pennsylvanians are represented in court.

Attorney General Fisher's Charitable Trusts & Organizations Section of the Public Protection Division is responsible for policing the activities of more than 5,600 charities registered with the Pennsylvania Department of State and more than 200 registered solicitors.

The Section is responsible for ensuring that charitable organizations seeking donations through telemarketers follow Pennsylvania laws for charitable registration. Additionally, the section is responsible for oversight of nonprofit organizations in Pennsylvania including health care providers, hospitals and health care facilities. With the increase of mergers and acquisitions in the burgeoning health care industry, this section plays an important role in making sure non-profit organizations maintain their stated charitable and social missions.

## \$15 million for new charity here

Money from Community Hospital sale: State VP concerned about move

by Emily Stauffer  
and Stephen T. Farrell  
New Era Staff Writers

The Florida company that plans to buy Community Hospital of Lancaster said today it would pay \$15 million, with the proceeds from the deal being used to establish a charitable health foundation.

Health Management Associates Inc. announced the new investment during a public hearing held by Pennsylvania Attorney General Mike Fisher.

The Florida company said it expects to construct a hospital of up to 175 beds for as much as \$40 million at a site that has not yet been identified.

At today's meeting, a St. Joseph spiritual representative caution HMA that moving the hospital the suburbs could make it harder for city patients to use it.

Your input is important, says Fisher, who says "your comments will help us make the final decisions."

Because Community Hospital is a charitable organization, Fisher's office represents the public. His staff will determine if HMA is paying a fair value for the hospital and ensure that proceeds from the sale continue to benefit the public.

After questioning a series of financial setbacks, Community Hospital announced in December it was being acquired by

owner plan

The new entity — called Lancaster Osteopathic Health Foundation — was announced by a board of local people including osteopathic doctors, administrators and by the executive director and his wife. The foundation will be used to support other programs and to promote health care.

At today's hearing, John May, HMA's vice president, said the company is not a for-profit and that it will be a charitable foundation. He said the company is not a for-profit and that it will be a charitable foundation.

Any general eyes sale of Community Hospital, Fisher says

Attempt to shield hospitals rejected

State attorney general requests dismissal of foundation lawsuit

9-99 saying it has not violated its fiduciary responsibility as claimed by the foundation.

The suit says that HMA's interpretation of the foundation's 66 components are incorrect and that the foundation is a 501(c)(3) nonprofit organization.

## SIGNIFICANT CASES

### Telcom Telemarketing Services, Inc.

On December 12, 2000, Attorney General Fisher announced that his Charitable Trusts and Organizations Section had obtained one of the largest civil penalties in a charities fraud case. North Carolina based Telcom Telemarketing Services, Inc. was ordered to pay nearly \$3.6 million in civil penalties for violating Pennsylvania's Charities Act.

In addition, co-defendant National Vietnam Veterans Coalition Foundation (NVVCF) of Florida was ordered to pay more than \$181,000 in civil penalties for violating the registration requirements under Pennsylvania's Charities Act.

Telcom was hired by NVVCF to conduct statewide telephone solicitations purportedly to directly help Vietnam veterans in Pennsylvania. The telephone solicitations raised more than \$578,000, which as it turns out were not used to help the veterans. Only 17 percent of the money raised went to the charity. The bulk of the contributions were used to pay the fundraiser.

In addition to the civil penalties, Telcom was ordered to pay \$4,600 in investigation costs and was banned from conducting charitable fund raising activities in Pennsylvania for five years.

## St. Joseph's Hospital

Health Management Associates, Inc., a for-profit Florida corporation, purchased St. Joseph's Hospital in Lancaster. This is the same corporation which had purchased Lancaster Community Hospital the year before.

The Office of Attorney General retained an expert to assess the fairness of the purchase price, convened a public hearing and required that the transaction be approved by the Lancaster County Orphans' Court. Net sale proceeds of \$10 million will support charitable programs in the Lancaster community through the St. Joseph Health Ministries Foundation.

## American Indian Relief Counsel

On June 11, 1999, Attorney General Mike Fisher announced that the American Indian Relief Counsel, also known as National Relief Charities of Virginia and Rapid City, South Dakota, agreed to resolve allegations that they intentionally exploited the plight of Native Americans to obtain donations. They then used those charitable contributions to benefit certain officers and directors of the charity.

Consumers were told by the American Indian Relief Counsel that Native Americans, on several South Dakota reservations, were suffering from widespread famine and other life threatening conditions that were either false or greatly exaggerated.

Through the agreement, the American Indian Relief Counsel was required to pay \$350,000 in restitution, \$15,000 in civil penalties and \$30,000 for the costs of the investigation. The \$350,000 in restitution was distributed between three independent Native American relief programs in South Dakota.



**The Bethesda Mission in Harrisburg benefits from a court-ordered settlement.**

**Attorney General Fisher details action taken against the AHERF officials**



## Allegheny Health, Education and Research Foundation (AHERF)

On February 23, 2000, Attorney General Fisher and Tenet HealthSystem Philadelphia filed a complaint in Federal Bankruptcy Court against three AHERF officers and five AHERF board members, seeking the return of nearly \$80 million in charitable assets that Fisher contends were improperly used to keep the ailing Allegheny Health, Education and Research Foundation afloat.

The complaint seeks to return \$78.5 million in charitable assets, which are gifts given by individuals, families and corporations for specific purposes, such as funding cancer research and battling childhood diseases. The complaint also seeks to hold responsible those AHERF officials who planned and approved the improper transfer of the charitable assets in an effort to cover their mismanagement of the non-profit corporation.

In October 1998, Tenet HealthSystem purchased AHERF's Philadelphia hospitals during a proceeding in Bankruptcy Court. In November 1998, Attorney General Fisher and Tenet negotiated the creation of two non-profit foundations to protect the remaining charitable assets.

In the complaint, Fisher, Tenet and the two non-profit foundations are seeking judgements against the defendants, compensatory damages, punitive damages, attorney fees and costs of the proceedings and any further relief that the court may deem just and proper.

## Westmoreland County Hospital Merger

This case involved the merger of Citizens General Hospital of New Kensington with the Allegheny Valley Hospital of Natrona Heights as well as the ultimate closure of Citizens Hospital thereafter.

The Office of Attorney General conducted a public hearing and required that the transaction be approved by the Westmoreland County Orphans' Court.

On November 16, 1998, Attorney General Mike Fisher, along with seven other Attorneys General, concluded an historic national settlement with the tobacco industry that imposed a sweeping ban on the marketing of tobacco products and required the industry to pay over \$200 billion to the states to settle their lawsuits.

In July 2000, Attorney General Fisher created the Tobacco Enforcement Section to help enforce the restrictions set forth in the Tobacco Master Settlement Agreement.



## SIGNIFICANT CASES

### **A.D. Bedell Wholesale Co. v. Philip Morris Inc.,**

Attorney General Fisher's Tobacco Enforcement Section successfully coordinated the drafting and filing of an amicus brief in a lawsuit challenging on antitrust and constitutional grounds the Master Settlement Agreement. The brief was filed in August 2000 on behalf of 46 states and one territory.

### **PTI v. Philip Morris & Pop Broker v. Fisher**

The Tobacco Enforcement Section successfully defended two federal court constitutional challenges to the Master Settlement Agreement.

### **Tobacco Magazine Advertising**

Attorney General Fisher's Tobacco Enforcement Section successfully convinced two major tobacco companies, Philip Morris and Brown and Williamson, to change their policies covering which magazines they use for advertising. As a result, fewer children will be exposed to tobacco advertising.

### **Tobacco Settlement Agreement**

The Tobacco Enforcement Section successfully oversaw the passage of legislation targeted at tobacco companies which refuse to accept the marketing restrictions imposed by the Master Settlement Agreement.

Under the legislation, titled the Tobacco Settlement Agreement of 2000, those companies must begin making payments into an escrow fund which will be used to satisfy any liability they incur for tobacco-related harm to the Commonwealth.

“This settlement and its \$11.3 billion recovery should go toward reversing the health problems created by the tobacco industry.”

- Attorney General Mike Fisher



School children join Attorney General Fisher for the unveiling of PA's anti-tobacco billboard campaign.

### **Responsible Tobacco Sales Certification Program**

Attorney General Fisher's Tobacco Enforcement Section worked with retailers and public health groups on a program aimed at reducing illegal sales of tobacco products to minors. Even though it is against the law to sell cigarettes to minors in Pennsylvania, the fact is that cigarette sales to minors take place at an unacceptable and alarming rate.

The Responsible Tobacco Sales Certification Program aims to significantly reduce the rate of illegal sales by educating retailers on ways to ensure that their employees are fully complying with the law. The program also works with retailers to help remove the temptation from children to purchase cigarettes.



Attorney General Fisher and Pennsylvania student view the anti-smoking billboards together

# CIVIL RIGHTS ENFORCEMENT

Attorney General Fisher's Civil Rights Enforcement Section works closely with government and law enforcement agencies, including the Pennsylvania Human Relations Commission, federal civil rights agencies and the Inter-Agency Task Force on Civil Tension, in training law enforcement and municipal government about the requirements of state Civil Rights and Ethnic Intimidation Laws.

The primary goals of the Civil Rights Enforcement Section are to assume a leadership role in the development of educational programs and the collection of information and to coordinate and intervene in actions arising from allegations and complaints of civil rights violations.



## SIGNIFICANT CASES

### Fisher Obtains Judgement Against White Supremacist Website

In February 1999, Attorney General Fisher's Civil Rights Enforcement Section obtained a judgement against a white supremacist hate group, ALPHA HQ, its leader Ryan Wilson and Stormfront Inc., for publishing terroristic threats, harassing messages and ethnic intimidation on the group's website.

Attorney General Fisher filed the complaint against the group in 1998 when he learned that the website threatened a Berks County woman and other "race traitors" and that they would "be hung from

the neck from the nearest tree or lamp post." The website also showed a picture of the woman's office building exploding as if from a bomb.

This action was one of the first civil actions taken against a hate group for Internet based hate crime in the nation. It was also the first civil action against a hate group for Internet based hate crime.

The order declared that ALPHA HQ, Ryan Wilson and Stormfront Inc., are guilty of ethnic intimidation and ordered them to refrain from further terroristic and harassing conduct and would be subject to imprisonment if they violate the order.



## **Fisher Reaches Agreement with Central Pennsylvania Restaurant**

In February 2000, Attorney General Fisher's Civil Rights Enforcement Section reached an agreement with the Tavern on the Hill restaurant of Cumberland County to settle a complaint against the restaurant and its owners for allegedly refusing to rent banquet rooms to prospective African-American patrons.

Under the agreement, Tavern on the Hill will offer all patrons full and equal access to its facilities and will not deny service to any person on the basis of race or color. The restaurant will provide all of its employees, who are involved in taking reservations, with training on the Pennsylvania Human Relations Act prohibiting discriminatory practices. Tavern on the Hill also paid \$12,000 to the Commonwealth that will be used for public protection purposes.

## **Hanover Hospital "No Pets" Policy**

The Office of Attorney General entered into an agreement to settle allegations that the Hanover Hospital had a "no pets" policy which applied to service animals. Consequently, disabled Pennsylvanians were not permitted to enter the facility with their service animals, in violation of the Americans with Disabilities Act and the Pennsylvania Human Relations Act.

Attorney General Fisher's Civil Rights Enforcement Section entered into the agreement to ensure that the hospital's facilities and goods and services are available to individuals accompanied by service animals without isolating, segregating or otherwise discriminating against these individuals.

## **Fisher Offers Assistance in Harrisburg Synagogue Arson**

In October 2000, Attorney General Mike Fisher's Civil Rights Enforcement Section assisted federal, state and local authorities in connection with an arson that heavily damaged Temple Ohev Sholom, a Harrisburg synagogue, on Yom Kippur.

The Harrisburg City Police Department charged an individual with burglary and arson. And while this crime was ultimately determined to not have been a hate crime, the assistance offered by Attorney General Fisher illustrates the work of the Civil Rights Enforcement Section in cooperation with federal, state and local authorities to address and resolve hate crimes and incidents.

## **Fisher Announces Settlement with National Car Rental Company**

In March 1999, Attorney General Mike Fisher reached a \$200,000 agreement in a suit against Avis Rent-A-Car Systems and a Dauphin County Avis franchise. The suit accused the franchise of discriminatory practices aimed at African-Americans, Hispanics and other minorities.

"Discrimination is wrong. It's against the law, and it will not be tolerated in Pennsylvania," Fisher said. "We sought equal treatment for customers in this case, and I believe we accomplished that goal."

Prompted by consumer complaints, the Civil Rights Enforcement Section conducted an undercover investigation at two of the four Avis car rental businesses in Central Pennsylvania. During the investigation, white and minority agents posed as potential customers at Avis locations in Harrisburg and at the Harrisburg International Airport (HIA). The investigators reported that the minority agents were either turned away or subjected to stricter credit and other car rental requirements.

The investigation also revealed alleged discriminatory practices in the company's "local renter's policy," which applied to customers who live within a 25-mile radius of its Harrisburg and HIA offices. Fisher alleged that the policy, which placed stricter requirements on Harrisburg customers, was designed to discourage minority residents from renting cars.

In addition to the monetary payment, the agreement provides for training, coupons for consumers, insures that all customers will be treated fairly in the future and that these companies will no longer discriminate against minority customers who live in an urban area.

## **Avis agrees to settle discrimination case**

ASSOCIATED PRESS

HARRISBURG — Avis Rent-A-Car Systems Inc. and an Avis franchise owner in Harrisburg have agreed to settle a racial-discrimination case out of court for \$200,000, state Attorney General Mike Fisher said yesterday.

Avis and the franchisee, Barbush Rentals Inc., will split the cost of the settlement but admitted no wrongdoing.

Also, Barbush agreed to post a "local renter's policy" at all its locations, and to provide free car-rental coupons to eligible customers who complained about discriminatory practices. Avis agreed to conduct company-wide diversity train-



**Attorney General Mike Fisher and Chief Deputy Attorney General Trent Hargrove address the issue of hate crimes**

### **Huntington Days Inn**

In August 2000, the Civil Rights Enforcement Section entered into an agreement with the Huntington Days Inn, which is owned and operated by Jerbev Corporation, to settle allegations that the Days Inn failed to comply with the provisions of the Americans with Disabilities Act and the Pennsylvania Human Relations Act in the availability of accessible parking spaces for persons with disabilities.

Under this agreement, the Huntington Days Inn agreed to comply with accessible parking provisions set forth in the Code of Federal Regulations, Americans with Disabilities Act and the Pennsylvania Human Relations Act.

### **Resort Company to Halt Alleged Discrimination Practices**

In July 2000, Attorney General Fisher reached an agreement with Epic Marketing and Epic Resorts-Vacation Showplace, a Montgomery County-based vacation and resort company, to resolve claims that its advertising and promotional materials for timeshare accommodations discriminated against consumers based on age, gender and national origin.

In 1999, the businesses mailed flyers to thousands of consumers offering a free color TV if they registered for a 90-minute timeshare sales presentation to promoting vacation areas in Hilton Head, Las Vegas, Palm Springs and Scottsdale. The flyer claimed that the offer is specifically designed for persons "between 26 and 65 years of age" and is available to "married couples, co-habiting couples, engaged couples and single women with a combined annual income of at least \$40,000." In addition, the flyer claimed that "qualified clients must possess a major credit card ... and be able to speak and read English fluently."

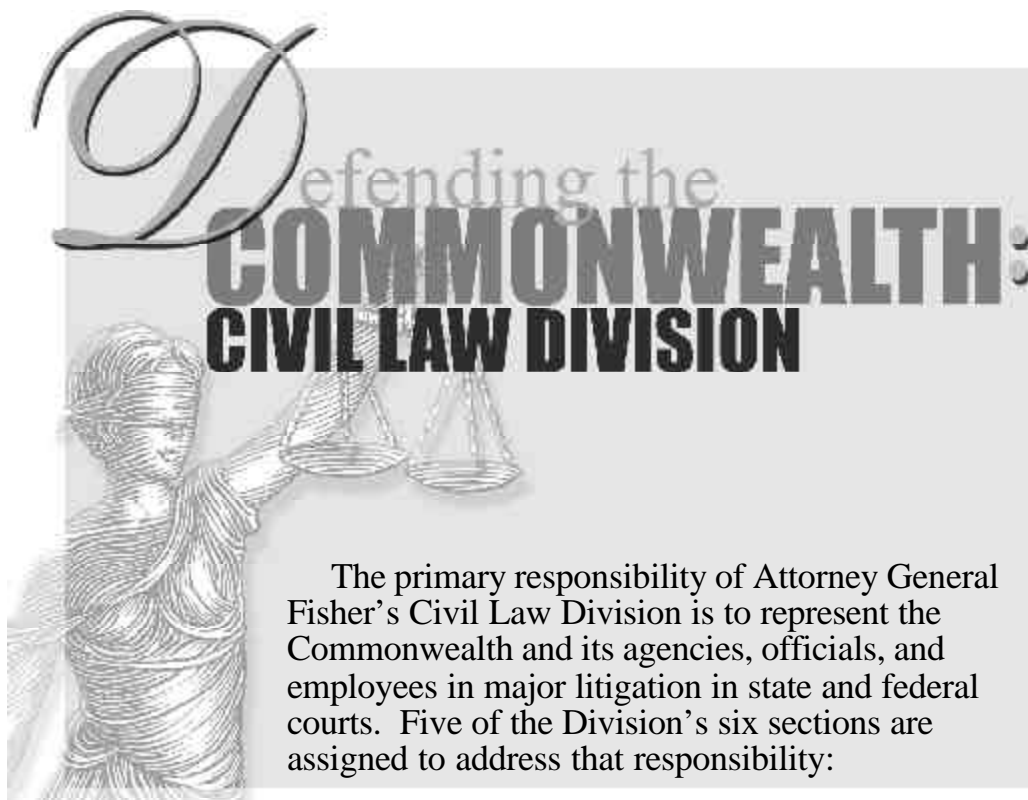
Undercover agents who claimed to be over the age of 65 or a single male were disqualified. In addition, investigators found that the Hispanic agent was questioned more vigorously and was provided less courteous treatment than the other agents in the investigation.

Under the agreement, Epic Resorts agreed to halt the use of any advertising or promotional materials that violate the Fair Housing Act or Pennsylvania's Human Relations Act and Consumer Protection Law; provide the Commonwealth with samples of corrected marketing materials; remove any restrictions to timeshare ownership or resort accommodations that disqualify participants based on age, gender or national origin; and pay \$20,000 to the Commonwealth for the costs of the investigation and future public protection purposes.

“Let me be clear about this. There is no place for hatred in Pennsylvania.”

- Attorney General Mike Fisher





The primary responsibility of Attorney General Fisher's Civil Law Division is to represent the Commonwealth and its agencies, officials, and employees in major litigation in state and federal courts. Five of the Division's six sections are assigned to address that responsibility:

**Litigation Section:** Defends the Commonwealth and its agencies, officials, and employees in actions challenging the constitutionality of state statutes, the operation of state programs, and the employment practices of state agencies.

**Torts Litigation Section:** Defends the Commonwealth and its agencies, officials, and employees in actions to recover damages for personal injury or damage to property.

**Tax Litigation Section:** Represents the Commonwealth in appeals to the Commonwealth Court from tax decisions of the Board of Finance and Revenue.

**Appellate Litigation Section:** Handles or supervises all civil appeals.

**Financial Enforcement Section:** Collects all delinquent taxes and other financial obligations owed the Commonwealth and its agencies.

**Review and Advice Section:** Discharges the Attorney General's responsibility to review and approve for form and legality all Commonwealth contracts, regulations, and bond issues. It also provides legal opinions, upon request, to the Governor and the heads of Commonwealth agencies.

# TORTS LITIGATION

The Torts Litigation Section defends the Commonwealth and its agencies, officials and employees in all actions brought to recover damages for personal injury or damage to property. The section has an active caseload, entirely in the state courts, of approximately 3,000 cases, presenting a total amount in controversy of more than \$300 million.

More than 80 percent of the cases handled by the Torts Litigation Section involve claims against the Pennsylvania Department of Transportation (PennDOT) for death or serious bodily injury resulting from the allegedly defective design, construction, or maintenance of state highways. The majority of cases handled by the Torts Litigation Section are resolved by settlement, although nearly half (48%) are litigated to judgment at a very high (97%) rate of success.

## SIGNIFICANT CASES

### **PennDOT v. Coraluzzo Trucking Co.**

On May 23, 1998, the Friday of Memorial Day weekend, a gasoline-filled tanker truck owned by Coraluzzo Trucking Co. crossed over the concrete median barrier of I-95 in Delaware County, sideswiped a bus, struck a pickup truck, and exploded. Both truck drivers were killed, and I-95 was closed for five days for emergency road and bridge repairs that cost state taxpayers \$2.7 million.

On May 23, 2000, exactly two years after the accident, Coraluzzo Trucking Co., faced with evidence that its driver was fatigued and that the company had a pattern of violating federal maximum driver-hour regulations, agreed to a \$2.95 million settlement.

In addition to the full cost of PennDOT's road and bridge repairs, Fisher's office recovered the emergency traffic rerouting costs incurred by the State Police, SEPTA, the Delaware Transit Authority, and the City of Chester.

### **Bowers Estate v. Department of Environmental Protection, et al.**

Attorney General Fisher's Torts Litigation Section successfully defended the Pennsylvania Department of Environmental Protection (DEP) in a Greene County case. A woman and her boyfriend climbed a six-foot fence surrounding an abandoned mine shaft and were sitting on a beam over the shaft when they got into an argument and he pushed her to her death 350 feet below. The claim against DEP was that the shaft should have been sealed or a higher fence erected.



### **Muntz v. PennDOT**

Attorney General Fisher's Torts Litigation Section won a defense verdict in a Chester County case in which the plaintiff was hit head-on by a drunk driver who went straight on a curved ramp and crossed over a mountable median. The claim was that PennDOT should have installed a guide rail on top of the median.

### **Tucker v. PennDOT**

Attorney General Fisher's Office successfully defended PennDOT in a Chester County case in which the plaintiff driver lost control on a horseshoe curve, crossed over and hit another car. The claim against PennDOT was inadequate signing and warning, despite a 10 mph speed advisory posted on the curve sign.

### **Haupt Estate v. Eastern State School and Hospital**

Attorney General Fisher's Office won a defense verdict in a Bucks County case in which the state hospital was accused of negligence following the death of a patient from an overdose of morphine pills. The drugs had been smuggled into the hospital by another patient and discarded by hospital staff, but retrieved by the decedent from the trash.

# TAX LITIGATION

The Tax Litigation Section represents the Commonwealth in virtually all state tax appeals. Most of the cases handled by the Section concern corporate or sales tax, and most (more than 90%) are resolved by settlement rather than judgment. Those that are litigated to judgment typically are resolved only after appeal to the Pennsylvania Supreme Court.

## SIGNIFICANT CASES

### **Royal Bank of Pennsylvania v. Commonwealth**

Fisher's Office successfully defended the constitutionality of the Bank Shares Tax amendments of 1989.

### **Wilson Partners, L.P. v. Commonwealth and Academic Properties, Inc. v. Commonwealth**

Attorney General Fisher's Tax Litigation Section successfully defended the constitutionality of provisions of the Realty Transfer Tax Act.

The Realty Transfer Tax Act exempts from taxation the United States, the Commonwealth, and their agencies, instrumentalities, and political subdivisions.

### **Philadelphia Gas Works v. Commonwealth**

Attorney General Fisher's Office successfully argued that the taxpayer was not entitled to a refund of sales taxes prepaid during its 1997 fiscal year because it failed to file a petition for refund within the time limit set by law.

### **Elk Haven Nursing Home Association, Inc. v. Commonwealth**

Attorney General Fisher's attorneys successfully argued that it was proper to use the value of a mortgage given as consideration for a conveyance of real estate to determine the taxable value of the real estate, and that the industrial use exclusion from realty transfer tax is limited to the exempt uses specified in the statute.

### **Hilltop Properties Associates Limited Partnership**

Tax Litigation Section lawyers successfully argued that the transfer tax on real property acquired by sheriff's deed is properly based on computed value rather than actual consideration, even when the successful bid is assigned.

Despite a sharp increase (30%) in new cases filed, the Tax Litigation Section, between 1998 and 2000, reduced its caseload from 2,600 cases to 1,750 cases. At issue in that caseload is more than \$750 million.

### **G. L. Marks Contracting, Inc. v. Commonwealth and Glenn Johnston, Inc.**

Attorney General Fisher's Office successfully argued that the taxpayers were subject to sales and use tax on tools, machinery, and equipment that they used in construction projects for public utilities but did not turn over to the public utilities.

The Litigation Section handles a wide variety of lawsuits, usually in federal court. It has an active caseload of more than 1,200 cases, consisting primarily of challenges to the constitutionality of state statutes, the operation of state programs and the employment practices of state agencies. Nearly every case handled by the Litigation Section is litigated to judgment, rather than settled. Many are resolved only after all appellate opportunities are exhausted.

The Litigation  
Section has an  
active caseload  
... consisting  
primarily of  
challengers  
to the  
constitutionality  
of the state  
... programs  
... and  
practices.

## SIGNIFICANT CASES

### **Giordano v. Ridge**

Fisher's Office successfully defended the constitutionality of the Capital Facilities Debt Enabling Act, which provides funds to municipal authorities to construct new sports stadiums.

### **Dial v. Vaughn**

The Office of Attorney General successfully defended the constitutionality of the DNA Detection of Sexual and Violent Offenders Act, which requires an inmate to provide a blood sample for DNA testing as a condition of parole.

### **Grier v. Muller**

Attorney General Fisher successfully defended the constitutionality of stiffer parole policies for violent offenders adopted by the Pennsylvania Board of Parole following the murder of a New Jersey state trooper by paroled murderer Robert "Mudman" Simon.

### **Harrisburg School District v. Hickok**

Attorney General Fisher's Office successfully prevented the injunction of recent amendments to the Education Empowerment Act, which authorized the takeover of the Harrisburg School District by Harrisburg Mayor Reed. Litigation is ongoing.

### **Gmerek v. State Ethics Comm., et al.**

The Office of Attorney General prevented the injunction of the recently enacted Lobbying Disclosure Act, which requires lobbyists and their clients to disclose expenditures made to influence the actions of state legislators and executives. Litigation is ongoing.

### **McCool v. Frank**

Attorney General Fisher's Office successfully defended a Department of Corrections policy requiring inmates to pay for over-the-counter medications and clothing, instead of receiving them free from the Commonwealth.

### **Whiteford v. Ridge**

Attorney General Fisher successfully defended the constitutionality of the Pennsylvania law that requires drivers to carry automobile insurance.

### **Horvath v. General Motors**

Fisher's Office successfully defended a drug task force agent against a claim that the agent used excessive force during an investigation of drug dealing by GM employees.

### **Perricone v. Clark**

The Office of Attorney General successfully defended prison officials against a claim that guards used excessive force during a shakedown of the State Correctional Institution at Graterford.

### **Barkman v. Ridge, et al.**

Attorney General Fisher successfully defended the constitutionality of state laws providing for a closed system of primary elections in which only party members may compete for a party's nomination for office.

### **Ficchi v. Frankel Enterprises and SWIF**

Attorney General Fisher's Office successfully defended amendments to the Workers Compensation Act that established procedures for determining the reasonableness and necessity of a claimant's medical treatment.

## Attorney General Fisher Wins \$90 Million VERDICT IN ASBESTOS CASE

In August 2000, a jury ordered a Missouri company to pay the Commonwealth \$90 million to replace the state transportation building that was damaged in a fire and contaminated with PCBs. Attorney General Fisher's office represented the Commonwealth in the case against Monsanto, which manufactured the fire-retardant PCBs that were used in fireproofing material installed in the building's ductwork.

The 12-story Pennsylvania Department of Transportation building, next to the state capitol, was heavily damaged by fire in June 1994. State tests revealed the building was contaminated with asbestos and toxic PCBs, and state officials ordered the building to be demolished in 1998. Attorney General Fisher filed suit to have the cost of the project shouldered by the company responsible for the contamination, instead of Pennsylvania taxpayers.

The Attorney General called the verdict a victory, both for the taxpayers and for Pennsylvania officials. Fisher said, "The jury has vindicated state officials who decided to put the health and safety of employees first in their decision to have the building destroyed."

The old PennDOT building was replaced with the new 10-story Keystone Building, erected on the same site and opened in the fall of 2000.

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## FINANCIAL ENFORCEMENT

The Financial Enforcement Section collects all delinquent taxes and other financial obligations owed to the Commonwealth and Commonwealth agencies. The Section has an active caseload, including pre-litigation claims, actions in state court, and claims in federal bankruptcy court, of approximately 22,000 cases, presenting a total amount in controversy of more than \$285 million.

In 1997, Attorney General Fisher initiated a priority tax collection program, which targets egregious cases for civil execution, leading to seizure of the debtor's business assets pending disposition of the liability. The 140 civil executions in 1999 and 2000 contributed to total collections during those two calendar years exceeding \$71 million.

### SIGNIFICANT CASES

#### **In re: NVR, Inc.**

Attorney General Fisher's Office successfully asserted the Commonwealth's sovereign immunity to defeat the debtor's claim in a Virginia bankruptcy proceeding for a refund of Pennsylvania taxes.

#### **In re: Raymark Industries**

Attorney General Fisher's Financial Enforcement Section successfully repelled the debtor's threat in a Connecticut bankruptcy proceeding to abandon an environmentally contaminated site in Manheim, Pennsylvania, resulting in the sale and clean-up of the property, and a tax recovery for the Commonwealth.

The Financial Enforcement  
Section collected a record  
\$76 million over the last  
two fiscal years.

#### **Aging/HMO Settlements**

Attorney General Fisher's office recovered \$12 million for the PACE Program, which provides prescription drug assistance to senior citizens, representing payments for prescription drugs dispensed to senior citizens insured under HMO plans.

## APPELLATE LITIGATION

The Appellate Litigation Section has primary responsibility for civil appellate practice in the Office of Attorney General. It reviews and approves the filing of all civil appeals and petitions for discretionary review. It handles selected cases in the federal and state appellate courts and supervises the handling of all other civil appeals by attorneys in other sections. The Section has an active caseload of more than 425 cases.

The Appellate Litigation Section also participates in the identification and development of significant legal issues at the trial level, by providing guidance and assistance to the other litigating sections in cases that present such issues, and by directly handling specially selected cases at the trial level, either alone or together with one of the other litigating sections.

### SIGNIFICANT CASES

#### **Booth v. Churner**

Attorney General Fisher's Appellate Litigation Section argued successfully in the Third Circuit Court of Appeals that prisoners who want to file lawsuits in federal court must first try to resolve their complaint through the prison's administrative grievance system, regardless of the nature of the complaint or the nature of the relief sought.

The United States Supreme Court subsequently agreed to review this decision. The case was argued before the Court in March of 2001. In May, the court handed down a unanimous decision in the Commonwealth's favor.

#### **Commonwealth v. Maker**

Fisher's Office successfully argued that Pennsylvania can prohibit nude dancing and other forms of lewd "entertainment" in bottle clubs.

#### **Chmiel v. Department of Public Welfare**

Attorney General Fisher's Appellate Litigation Section successfully argued that the Department of Public Welfare may prohibit male employees from performing personal hygiene tasks on female residents at centers for the mentally retarded.

*“My Civil Law Division has fought to protect Pennsylvania's laws from those seeking to overturn them. We will continue to enforce and uphold the laws created by our General Assembly, whether it be on the streets or in the courtroom. We will also continue to vigorously defend the Commonwealth against legal actions.”*

*- Attorney General Mike Fisher, January 1999*

## REVIEW AND ADVICE

Attorney General Fisher's Review and Advice Section discharges the Attorney General's statutory responsibility to review and approve for form and legality all Commonwealth contracts, regulations, and bond issues. Working with only three attorneys, this section handled a heavy workload yet was able to keep its average turn-around time down to five days for contracts and 15 days for regulations.

In 1999 and 2000, the section assisted in the ongoing project of implementing the new Commonwealth Procurement Code, which involves the creation of new procedures for processing Commonwealth contracts and the review and redesign of all contract forms now in use by Commonwealth agencies. The section has approved more than 650 forms for use by 33 Commonwealth agencies. In 2000, the Section initiated the Form Contract Review Program, which audits Commonwealth agencies' use of pre-approved forms to determine whether agencies are using the form contracts in accordance with law and with the conditions established for their use.

The section also manages the Attorney General's contract match program, which electronically correlates the various databases maintained by the legal divisions of the Office of Attorney General. The goal is to identify those contractors with whom Commonwealth agencies propose to do business who have failed to satisfy their financial obligations to the Commonwealth or who otherwise have legal difficulties that should be brought to the attention of the contracting agency before the proposed contract is approved. In 1999 and 2000, the Section identified nearly 600 such contract "matches."

Finally, the section provides information and referral services to individuals, businesses, local government and other public officials who call the Office of Attorney General for assistance. In 1999 and 2000, the section responded to more than 8,100 calls and letters.



In 1999 and 2000,  
the Review and Advice  
Section reviewed:

**38,592  
Contracts,**

**360  
New or Revised  
Regulations, and**

**69  
Bond Issues,**

Representing  
**Hundreds of  
Millions of  
Dollars of Public  
Funds.**

# Information TECHNOLOGY & LAW

The Information Technology & Law (ITL) section was the focus of both expansion and reorganization during 1999 and 2000. Teams within the section, including the Customer Support Group, Information Resource Department and Application Development team grew to reflect the office's expanding need for technology support. A Training Department was also created to help OAG staff become more familiar with available equipment and computer software.

With a rising number of criminal enterprises now involving computers, the Internet and other technologies, ITL has answered a growing call for information and assistance. The section continues to provide specialized training for OAG agents and sections conducting Internet investigations. ITL also continues to work with the Civil Rights Enforcement Section to track "hate groups" that use various websites or Internet message boards to spread their venom.

ITL provided technical expertise to OAG Civil Rights investigators and authorities in Pittsburgh probing a shooting spree with possible racial motives. Members of ITL also assisted the Bureau of Narcotics Investigation and other state and federal agencies in the probe of large-scale illegal sales of prescription drugs by a Pennsylvania resident. In that ongoing case, Internet experts from ITL were able to help criminal investigators track and identify individuals who were allegedly involved in a wide-reaching conspiracy to sell Viagra and other prescription medicines, as well as several other Internet related scams.

Work continued with the Child Sexual Exploitation Task Force, which includes the Office of Attorney General along with other local, state and federal law enforcement agencies. Over the past two years ITL has stepped up its technical assistance to the Task Force, and created several "undercover" Internet sites that are used to identify and prosecute pedophiles.

ITL staff also now provides training and presentations on issues such as Internet Privacy, "Cyber-Stalking" and e-commerce to other OAG sections as well as advocacy and other public organizations. Expanded internal training and assistance from the Customer Support Group are key parts of ITL's efforts to help OAG staff to use technology in the most productive way.



## attorneygeneral.gov

The information, features and public use of the Office of Attorney General's Internet site have grown dramatically over the past two years. During the year 2000, the website received nearly 6 million hits, representing a more than two-fold increase in website use since 1998.

Much emphasis has been placed on making the website more interactive. Consumers can now complete online complaint forms and transmit that information directly to the Attorney General's Bureau of Consumer Protection. The electronic complaint form system also links visitors directly with the Health Care Unit, which works to ensure that Pennsylvania residents are being treated fairly by health insurance companies. In addition, it is now possible to read, print or automatically order copies of the OAG's many brochures and other publications—ranging from credit repair scams to the Puppy Lemon Law.

The ongoing evolution and growth of the website are the work of the Information Technology and Law Section. ITL staff are currently working with various other departments to develop the next generation of attorneygeneral.gov with a goal of making it even more user-friendly and intuitive—automatically retrieving and presenting information for visitors based on the issues and topics for which they are searching.



# Office of **CONSUMER ADVOCATE**

In 1976, the General Assembly established the Office of Consumer Advocate (OCA) to represent Pennsylvania utility consumers' interests before the Pennsylvania Public Utility Commission (PUC), other state and federal agencies and the courts. The OCA is a statutorily independent office that is included within the Office of Attorney General for administrative purposes.

Sonny Popowsky, the current Consumer Advocate, has served in that position since he was confirmed by the Senate of Pennsylvania on June 29, 1990. The OCA has a budgeted staff complement of 36 persons, including the Consumer Advocate, attorneys and other professional, administrative and clerical personnel. The OCA has its own budget that is funded through an assessment on the utilities that are regulated by the Public Utility Commission.

## **Electric Utility Issues**

The past few years have seen an unprecedented level of activity at the OCA on behalf of Pennsylvania electric consumers. During 1999 and 2000, the OCA has been heavily involved in the implementation of the Pennsylvania Electric Choice Program.

For the first time, consumers in Pennsylvania were able to choose the company that provides them with the generation portion of their electric service. In order to protect the interests of consumers while offering them the greatest number of competitive options, the OCA participated in numerous rulemakings, petitions and complaint proceedings involving such issues as customer switching, customer information, consumer education, provider of last resort and generation divestiture.

The OCA was also active at the regional and federal level in seeking to ensure that the rules and structures now being established to permit competition at the wholesale level will benefit Pennsylvania retail customers. The OCA continued its active role in a number of complaint proceedings, petition proceedings brought by electric utilities and alternative electric generation suppliers and in ongoing appeals. In addition, the OCA has been involved in numerous electric matters before the Federal Energy Regulatory Commission and continued its active participation on committees formed by PJM, (the Pennsylvania, New Jersey, Maryland Interconnection LLC.)

In 2000, new issues included the development of competitive default service, extension of rate caps and provider of last resort service, as well as participating in electric utility merger proceedings.

**For the first time consumers in Pennsylvania were able to choose the company that provides them with the generation portion of their electric service.**

## **Natural Gas Issues**

In natural gas, as in electric restructuring, the OCA was active in the negotiations that led to the enactment of Natural Gas Choice legislation in 1999, as well as the specific utility restructuring proceedings that followed from that Act. In each of those proceedings, the OCA presented testimony from a team of experts who addressed all the major consumer issues in these cases. These issues included the unbundling of competitive and non-competitive service rates, the determination of costs related to restructuring under the Act, universal service programs for low income consumers and consumer education and protection requirements in the new partially competitive natural gas markets.

As of July 1, 2000, the OCA also has been given the statutory authority to represent the customers of the Philadelphia Gas Works in proceedings before the Pennsylvania Public Utility Commission regarding that municipal utility's service and rates.

During 2000, the OCA participated in the purchased gas cost proceedings filed by each of the natural gas utilities in Pennsylvania.

## **Telecommunications Issues**

In telecommunications, the OCA continued to participate in proceedings arising from the Commission's "global" order which addressed the full gamut of regulatory and competitive issues that will provide the framework for the future of the telecommunications industry in Pennsylvania.

The OCA participated in a wide range of cases involving the restructuring of regulation under the federal Telecommunications Act of 1996 as well as Pennsylvania's "Chapter 30" legislation that was passed in 1993. In these cases, the OCA has sought to expand competitive choices for consumers, while at the same time continuing important regulatory consumer protections, including the paramount goal of assuring universal telephone service for all Pennsylvanians. The OCA has also participated in proceedings before the Federal Communications Commission in matters affecting Pennsylvania telephone consumers.

## **Water Issues**

In the water and wastewater industry, the OCA has continued to represent consumers in numerous base rate increase and acquisition proceedings. In addition, the OCA has supported efforts by several consumers and homeowner groups to obtain extension of water service to their homes at reasonable cost.

## **Consumer Education and Outreach**

Of particular significance during 2000, the OCA implemented a new toll free number to expand its assistance to utility consumers throughout Pennsylvania. The new toll free number (800-684-6560) is staffed from 8 a.m. to 6 p.m., Monday through Friday. The toll free number has allowed the OCA to be available to a greater number of Pennsylvania consumers who have a question, complaint or concern about prices, billing, quality of service or any other utility related issues.

The OCA also provides consumer information and education through its website at [www.oca.state.pa.us](http://www.oca.state.pa.us). The OCA received nearly 597,000 visits to its website during 2000, with most of these "hits" seeking information on electric choice.

# Legislative Priorities 1999 • 2000

As the state's top law enforcement official, Attorney General Mike Fisher works closely with the General Assembly to craft new laws to fight crime and protect our citizens. Before being elected Attorney General in 1996, Fisher served as a state Senator and a state Representative and was the author of many of the criminal and consumer protection statutes that are being enforced today.

In July 2000, Attorney General Fisher joined Senate Judiciary Chairman Stewart Greenleaf to announce his support for a proposal that would allow prisoners to obtain DNA testing in an effort to prove their innocence. Fisher has been a proponent of the new technology for identifying the perpetrators of crime and clearing those who are not guilty.

In supporting the idea of postconviction DNA testing, the Attorney General has pushed for strong guidelines governing its use, including:

- A clear procedure for convicted defendants to request DNA testing when there is a reasonable question about the identity of the perpetrator;
- Set standards for testing, in order to guarantee the integrity of the results, and;
- Assurance that DNA testing would be conducted only when there is the potential to produce new, materially relevant evidence to support a defendant's claim of innocence.

While initial discussion among lawmakers concerning postconviction DNA testing focused almost exclusively on death row inmates, Attorney General Fisher has proposed that it be expanded to include all convicts serving jail time. "I don't want to see an innocent person spend one day in jail or on death row, if there is reliable evidence available to exonerate that person," Fisher told lawmakers.

During the past two years Attorney General Fisher has proposed or actively supported a long list of legislation. He urged the General Assembly to consider bills intended to stiffen drug penalties, put hazardous drugs on the state's controlled substances list, better protect consumers and boost school safety.

The following list is a sampling of legislation proposed or passed into law during 1999-2000 with the support of General Fisher:

**ACT 38 of 1999** - *Clarification of Pennsylvania's Death Penalty Procedure.*

Amends Title 42 (Judiciary) to require that the Pennsylvania Supreme Court transmit death penalty trial records and other pertinent documents to the Governor within 30 days of any of the following: 1) the expiration of the filing period for a *writ of certiorari*, 2) the denial of a petition for *certiorari*, or 3) the disposition of the appeal by the United States Supreme Court. Prior to this Act, Pennsylvania's death penalty statute was unclear as to when trial documents must be transmitted to the Governor.

**ACT 45 of 1999 - *Uniform Construction Code.***

Creates a free standing Act, known as the Pennsylvania Construction Code Act, which establishes a statewide building code with uniform construction standards. Prior to this Act, there were a multitude of municipal building codes throughout the Commonwealth that often varied greatly from one municipality to the next. Adoption of the Building Officials and Code Administrators (BOCA) National Building Code as the statewide standard will enhance the efforts of the Bureau of Consumer Protection to protect Pennsylvania consumers from unscrupulous contractors. By providing a baseline standard for defining shoddy workmanship, OAG agents will be able to more efficiently address fraud in the home improvement and home contracting industry.

**ACT 55 of 1999 - *GHB - The Date Rape Drug.***

This Act amends the Controlled Substance, Drug, Device and Cosmetic Act and adds Gamma Hydroxybutyrate, better known as GHB, to the list of controlled substances. A powerful, quick acting chemical depressant that is growing in popularity among high school and college students for its euphoric and aphrodisiac effects, it is also quickly becoming the date rape drug of choice. It comes as a clear, odorless and tasteless liquid that can easily be slipped into a drink. If ingested in large quantities, the drug has a paralyzing effect on the victim and can cause short-term amnesia.

**ACT 66 of 1999 - *Prohibit Sales of “Gray Market” Cigarettes.***

This Act amends the Fiscal Code and makes the sale of gray market cigarettes illegal in Pennsylvania, and imposes both civil and criminal penalties. Gray market cigarettes are cigarettes that are manufactured in the United States for export, but are illegally diverted back in the U.S. and resold at a price below that generally charged for domestic cigarettes. Sales of gray market cigarettes are not necessarily reflected in domestic sales figures, because these cigarettes are intended for export and not accounted for among cigarettes sold at home. Consequently, the existence of a gray market in Pennsylvania could cause the Commonwealth to lose money under the national tobacco settlement, because the amount to be paid by the tobacco industry is tied to domestic cigarette sales figures.

**ACT 10 of 2000 - *Protection from Abuse Orders.***

This Act amends Title 23 (Domestic Relations) and extends the fixed period of time for a protection order from one year to 18 months.

**ACT 12 of 2000 - *Institutional Sexual Assault.***

This Act amends Title 18 (Crimes and Offenses) and increases the classification of this offense from a misdemeanor one to a felony three. The Act also expands the scope of individuals subjected to the prohibitions of this offense to include those employed in a youth development center, youth forestry camp, juvenile detention facility and mental health institution.

**ACT 14 of 2000 - *Sexual Exploitation of Children.***

This Act amends Title 18 (Crimes and Offenses) and prohibits the procuring of children for the purpose of sexual exploitation and imposes a penalty. The newly added section defines the offense of sexual exploitation of children as the procuring for another person a child under the age of 18 for the purposes of sexual exploitation. The offense is classified as a felony of the second degree.

**ACT 21 of 2000 - *Identity Theft.***

This Act amends Title 18 (Crimes and Offenses) and criminalizes the unauthorized interception and possession of personal identifying information, and includes the restitution of the victim as a penalty for a violation. Small pieces of personal identification information, such as a social security number, a driver's license number or even a parent's maiden name can be used by criminals to access bank accounts and establish lines of credit in that person's name. A growing crime trend, TransUnion, one of the three major credit bureaus, reports that incidents of identity theft rose from 35,000 in 1992 to nearly 523,000 in 1997.

**ACT 24 of 2000 - *Unlawful Use of a Computer.***

This Act amends Title 18 (Crimes and Offenses) and is intended to combat computer viruses by redefining the unlawful use of a computer as the alteration, damage or destruction of any computer, computer system, computer network, software, computer program or database with the intent to disrupt the normal functioning of an organization. An offense may be committed in person, electronically, or through the intentional distribution of a computer virus. In addition to criminal penalties, the Act also provides for any person convicted to provide restitution.

**ACT 25 of 2000 - *Adult E-mail.***

This Act amends Title 18 (Crimes and Offenses) and requires any unsolicited e-mail advertising obscene websites to be positively identified as such so they can be blocked from an individual computer through the use of screening software. This requirement allows conscientious parents to make sure that inappropriate material will not find its way into their homes.

**ACT 41 of 2000 - *Increased Penalties for Heroin Possession.***

This Act amends the Controlled Substance, Drug, Device and Cosmetic Act to reduce the amount of heroin necessary to trigger the mandatory minimum sentence for possession of the drug. Act 41 reduces the amount from the current two grams to one gram. Heroin is sold to its consumers in small amounts; the average "packet" consists of about .05 grams. Prior to Act 41, a dealer could be in possession of about 40 of these "packets" before triggering the mandatory minimum contained in the Controlled Substance Act.

**ACT 54 of 2000 - *Tobacco Settlement Model Statute.***

A result of the Master Settlement agreement between the states and several tobacco manufacturers, this statute ensures that all manufacturers of cigarettes marketed in Pennsylvania, including those companies that have not entered into the settlement, are financially accountable for the potential health-related costs associated with smoking. Non-participating manufactures will be required to either pay into a fund held in reserve or join the Master Settlement Agreement.

**ACT 78 of 2000 - *Ketamine.***

This Act amends the Controlled Substance, Drug, Device and Cosmetic Act and adds Ketamine Hydrochloride as a Schedule III drug. Ketamine, also known as "Special K" has become popular over recent years among drug users at so-called "rave" parties. Ketamine, which can be injected in liquid form or snorted in powder form, is a legal veterinary anesthetic that can cause brain hemorrhaging, comas, respiratory arrest and death when taken by human beings.

**\*SB 844 - *Good Samaritan Civil Immunity.***

This Bill amends Title 42 (Judiciary) and provides for the following;

■ Protects any person who provides or attempts to provide assistance for a victim of a crime from civil liability. The protection extends to crimes involving: death, serious physical injury, robbery, burglary, kidnapping and sexual intercourse compelled by force.

■ Re-enacts the “three strikes and you’re out” statute overturned by the Pennsylvania Supreme Court in Com. v. Butler, 760 A.2d 384 (2000). SB 844 removes the offending language which required the defendant to rebut the presumption that he is a “dangerous high-risk offender.” SB 844 instead provides that anyone convicted of three or more crimes of violence (murder, voluntary manslaughter, aggravated assault, rape, arson, kidnapping, burglary or involuntary deviate sexual intercourse) shall be sentenced from 25 years to life.

■ Amends Megan’s Law by adding the offense of “Sexual Exploitation of Children” to the list of enumerated offenses that trigger the mandatory registration with State Police.

**\*HB 58 - *Extend Statute of Limitations for Money Laundering.***

Increases the statute of limitation of the offense of “Dealing in proceeds of unlawful activities” from two years to five years. To successfully prosecute this crime requires extensive investigation into large criminal operations. Current two year time limit is often not long enough to allow prosecution of such operations.

\* These bills are currently awaiting the expected signature of Governor Ridge.

# How to REACH US

## EXECUTIVE OFFICE

*Main Office:*  
16<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120  
General Information: (717) 787-3391  
Fax: (717) 787-8242  
Personnel Information: (717) 787-7639  
Management Services: (717) 787-4499

## CRIMINAL LAW DIVISION

*Main Office:*  
16<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120  
Phone: (717) 787-2100  
Fax: (717) 705-7246

## PROSECUTIONS

*Main Office:*  
Harrisburg  
Phone (717) 772-2995  
Fax (717) 705-7246

## INSURANCE FRAUD SECTION

*Main Office:*  
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Phone: (717) 787-0272  
Fax: (717) 705-0741

*Regional Offices:*  
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Norristown: (610) 631-5164  
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## ENVIRONMENTAL CRIMES SECTION

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Fax: (717) 705-7247

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Norristown: (610) 631-5949  
Pittsburgh: (412) 565-2206  
State College: (814) 863-0684  
Wilkes-Barre: (570) 826-2051  
Williamsport: (570) 327-3785

## MEDICAID FRAUD CONTROL SECTION

*Main Office:*  
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Fax (717) 705-7247

*Regional Offices:*  
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## CRIMINAL PROSECUTIONS SECTION

*Main Office:*  
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## ORGANIZED CRIME & NARCOTICS

*Main Office:*  
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## DRUG STRIKE FORCE SECTION

*Main Office:*  
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Phone: (717) 787-9583

*Regional Offices:*  
Allentown: (610) 791-6146  
Butler: (724) 284-3400  
Erie: (814) 871-4754  
Greensburg: (724) 830-2051  
Lemoyne: (717) 712-1206  
Norristown: (610) 631-5937  
Philadelphia: (215) 937-1345  
State College: (814) 863-6503  
Wilkes-Barre: (570) 826-2496

## ASSET FORFEITURE & MONEY LAUNDERING SECTION

*Main Office:*  
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*Regional Offices:*  
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Butler: (724) 284-3400  
Philadelphia: (215) 937-1345  
Pittsburgh: (412) 565-5465

## ORGANIZED CRIME SECTION

*Main Office:*  
Norristown  
Phone: (610) 631-5942

*Regional Office:*  
Greensburg: (724) 830-2051



## **CRIMINAL INVESTIGATIONS**

### *Main Office:*

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Phone: (717) 783-6289  
Fax: (717) 783-5431

## **BUREAU OF CRIMINAL INVESTIGATIONS**

### *Main Office:*

Harrisburg  
Phone: (717) 787-4679

### *Regional Offices:*

Greensburg: (724) 832-5418  
Norristown: (610) 631-5970  
Wilkes-Barre: (570) 820-4835

## **BUREAU OF NARCOTICS INVESTIGATION AND DRUG CONTROL**

### *Main Office:*

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Fax: (717) 783-5431

### *BNIDC Eastern District Office:*

Allentown: (610) 791-6140

### *BNIDC Western District Office:*

Greensburg: (724) 830-2079

### *Regional Offices:*

Allentown: (610) 791-6100  
Butler: (724) 284-3400  
Erie: (814) 871-4231  
Greensburg: (724) 832-5350  
Lemoyne: (717) 712-1280  
Philadelphia: (215) 937-1300  
State College: (814) 863-0632  
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## **BUREAU OF INVESTIGATIVE SERVICES**

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Fax: (717) 783-5431

## **LAW AND APPEALS**

### *Main Office:*

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## **APPEALS & LEGAL SERVICES SECTION**

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### *Regional Offices:*

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Harrisburg: (717) 705-2344  
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Philadelphia: (215) 937-1300  
State College: (814) 863-1060

## **CIVIL LAW DIVISION**

### *Main Office:*

15<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120  
Phone: (717) 787-1100  
Fax: (717) 772-4526

### *Regional Offices:*

Philadelphia: (215) 560-2402  
Pittsburgh: (412) 565-7680

### *Sections Under the Civil Law Division:*

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Financial Enforcement: (717) 787-3646  
Litigation Section: (717) 783-1471  
Review and Advice: (717) 783-1111  
Tax Litigation: (717) 783-1460  
Torts Litigation: (717) 783-1683

## **PUBLIC PROTECTION DIVISION**

### *Main Office:*

14<sup>th</sup> Floor, Strawberry Square  
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Phone (717) 787-9716  
Fax (717) 787-1190

### *Sections Under the*

### *Public Protection Division:*

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Charitable Trusts & Organizations:  
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Consumer Advocate: (717) 783-5048  
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## **BUREAU OF CONSUMER PROTECTION**

**Hotline: 1-800-441-2555**

### *Main Office:*

Harrisburg  
Phone: (717) 787-9707  
Fax: (717) 787-1190  
Health Care Unit:  
**Hotline: 1-877-888-4877**  
Phone: (717) 705-6938

### *BCP Regional Offices:*

Allentown: (610) 821-6690  
Ebensburg: (814) 471-1831  
Erie: (814) 871-4371  
Harrisburg: (717) 787-7109  
Philadelphia: (215) 560-2414  
Pittsburgh: (412) 565-5135  
Scranton: (570) 963-4913